

FEDERAL BUREAU OF INVESTIGATION
FOI/PA
DELETED PAGE INFORMATION SHEET
FOI/PA# 1466105-000

Total Deleted Page(s) = 2
Page 55 ~ Duplicate;
Page 56 ~ Duplicate;

XXXXXXXXXXXXXXXXXXXXX
X Deleted Page(s) X
X No Duplication Fee X
X For this Page X
XXXXXXXXXXXXXXXXXXXXX

REC- 32

Airtel

7551

11/2/71

TO: SACs, WFO (58-NEW) (Enclosures 5)
Miami (58-NEW) (Enclosures 4)
New York (58-NEW) (Enclosures 5)

FROM: Director, FBI (58-NEW)

1 - Mr. Frankfield

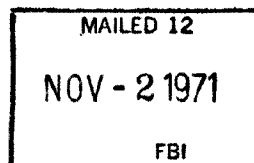
CONGRESSMAN BERTRAM L. PODELL;
CONFLICT OF INTEREST
OO: WFO

Enclosed for each office are 2 copies of a communication dated 11/1/71, from Acting Assistant Attorney General Henry E. Petersen, Criminal Division, together with 2 copies of an article appearing in the 8/23/71, Wall Street Journal. Enclosed for WFO and NY is one copy of a memorandum dated 9/20/68, at Miami, Florida, captioned "Florida Atlantic Airlines, Inc., Ft. Lauderdale, Florida, CID/2/68".

MN is referred to its case captioned "Florida Atlantic Airlines, Inc., Ft. Lauderdale, Florida, FPC", [redacted] Copies of MN memorandum dated 9/20/68, in this case are being furnished WFO and NY for background and assistance in this investigation concerning Florida Atlantic Airlines, Inc., and Leasing Consultants, Forest Hills, Long Island, New York.

All offices are instructed to assign this matter to mature and experienced Special Agents for immediate, preferred and continuous handling. It is most essential that the investigation be thorough in every respect and not limited to the specific leads requested in the enclosed communication from the Criminal Division. Interviews are to be conducted under oath and sworn signed statements taken where possible.

WAF:bjp
(8)



WAF

Tolson _____
Felt _____
Rosen _____
Mohr _____
Bishop _____
Miller, E.S. _____
Callahan _____
Casper _____
Conrad _____
Dalbey _____
Cleveland _____
Ponder _____
Bates _____
Tavel _____
Walfers _____
Soyars _____
Tele. Room _____
Holmes _____
Gandy _____

NOV 12 1971

MAIL ROOM ☒ TELETYPE UNIT ☐

Airtel to SACs, WFO, MM, NY
RE: CONGRESSMAN BERTRAM L. PODELL

NY note item 12 on page 2 of the communication from the Criminal Division. The lead to contact the reporter for the Wall Street Journal should be held in abeyance until other logical investigation is covered or until it becomes publicly known that an investigation is being conducted.

Reports are not to be furnished to the Office of any U. S. Attorney and no contact is to be had with any U. S. Attorney in this matter as the Criminal Division will decide on the prosecutive merits following completion of the investigation.

Each office is instructed to advise the Bureau by return airtel date it is expected reports will be submitted reflecting completion of all investigation. You must insure this matter is pressed vigorously. All administrative instructions set out herein are to be given auxiliary offices in the event leads are set out for other offices.

UNITED STATES GOVERNMENT

DEPARTMENT OF JUSTICE

Memorandum

TO : Director, Federal Bureau of Investigation

DATE: November 1

FROM : Henry E. Petersen
Acting Assistant Attorney General
Criminal Division

HEP:SMW:km
51-52-351

SUBJECT: Congressman Bertram L. Podell; (D-N.Y.)
Possible Conflict of Interest,
18 U.S.C. 203

Mr. Tolson	_____
Mr. Felt	_____
Mr. Rosen	_____
Mr. Mohr	_____
Mr. Bishop	_____
Mr. Miller, ES	_____
Mr. Callahan	_____
Mr. Casper	_____
Mr. Conrad	_____
Mr. Dalbey	_____
Mr. Cleveland	_____
Mr. Ponder	_____
Mr. Bates	_____
Mr. Tavel	_____
Mr. Walters	_____
Mr. Soyars	_____
Tele. Room	_____
Miss Holmes	_____
Miss Gandy	_____

On August 23, 1971, the Wall Street Journal carried an article, a copy of which is attached, regarding a possible conflict of interest by Congressman Podell in regard to services he performed on behalf of Florida Atlantic Airlines in 1968 and 1969. The aforementioned newspaper article reflected that Congressman Podell contacted various officials of both the Civil Aeronautics Board and the Federal Aviation Administration on behalf of Florida Atlantic Airlines in regard to its need for Federal approval of its plans to fly passengers between Florida and the Bahamas. The president of Florida Atlantic Airlines was Martin Miller. Florida Atlantic Airlines was a subsidiary of Leasing Consultants, Inc. Martin Miller was also president of Leasing Consultants. During the time period when Congressman Podell was contacting the various Federal agencies, Leasing Consultants had retained Congressman Podell's law firm, known as Podell & Podell, and was paying the law firm \$1,000 per month.

The Bureau is requested to conduct a full and complete investigation in regard to this matter. Without minimizing other logical leads which should be explored, the Bureau is requested to do the following:

1. Determine when Leasing Consultants first hired Podell & Podell and for what purpose. Obtain a copy of any agreement which was signed regarding their relationship.
2. Determine how much money was paid to Podell & Podell by Leasing Consultants and/or any of its subsidiaries, when it was paid, how it was paid, and how much is still due and any reason for the nonpayment. Ascertain also whether there was any contingency fee arrangement and if so what it was.

EXP. PROC.
31
NOV 1 1971
38

ENCLOSURE

REC-32

MGT-17

7551-1

5 NOV 1 1971

3. Ascertain what services Podell & Podell did for Leasing Consultants, which lawyers of Podell & Podell performed the services, and when they were performed.
4. Determine how any monies paid by Leasing Consultants and/or its subsidiaries, including stock or stock options, were handled on Podell & Podell's books and what share and by what means were any passed on to the Congressman.
5. Determine when and why Leasing Consultants terminated the services of Podell & Podell.
6. Interview all Government officials contacted by Congressman Podell in regard to the airlines matter. Obtain copies of any memorandums prepared by these officials. Obtain copies of all correspondence received or sent by the Federal agencies from or to the Congressman and/or the company in regard to this matter.
7. Ask the Congressman's office to furnish copies of all correspondence or memorandums which it received and/or prepared in regard to this matter.
8. Interview [redacted] fully on this matter and attempt to obtain a waiver of the lawyer-client privilege from [redacted] and/or other appropriate officials of Leasing Consultants, Inc.
9. Interview Congressman Podell and his Congressional staff in regard to this matter.
10. Interview appropriate officials of Leasing Consultants and/or Florida Atlantic Airlines in regard to this matter.
11. Interview [redacted] and other lawyers, if any, associated with Podell & Podell in regard to their participation in this matter and determine also what aspects involving Leasing Consultants and/or its subsidiaries did they refer to Congressman Podell in Washington.
12. Request that the reporter who prepared the article for the Wall Street Journal make available his notes of his interview(s) with Congressman Podell [redacted] Of course, this particular lead should be delayed until other prior and logical investigative leads are conducted or until that time when it becomes publicized that an investigation is being conducted.

b6
b7C

b6
b7C

13. Determine whether Congressman Podell ever contacted the State Department in regard to this matter.

For your information, Congressman Podell has been notified by the Criminal Division of the requested investigation.

Attachment

How a Lawmaker Used His Office in Congress To Plead Client's Cause

Rep. Podell Concedes Action
Was an Indiscretion, but
Was It More Than That?

Some Others Drop Practice

By JERRY LANDAUER

Staff Reporter of THE WALL STREET JOURNAL
WASHINGTON—Congressman Bertram L. Podell sits in his office, looking grave and sounding sorry.

"I made a boo-boo," he admits.

"Yes," concedes the Brooklyn Democrat, "I committed what I consider an indiscretion."

Mr. Podell's colleagues might consider his actions something more than an "indiscretion"—a serious breach of congressional ethics, certainly, and perhaps a crime. In what lawyer-Congressman Bert Podell now confirms is that he used his congressional office to champion the cause of a legal client before a government agency.

On the afternoon of March 10, 1969, for example, the jaunty, talkative Mr. Podell went to the Civil Aeronautics Board with Martin Miller, president of Florida Atlantic Airlines. Mr. Miller was seeking permission to fly passengers between Florida and the Bahamas, permission the small airline urgently needed to stay solvent. At the time, the Congressman's law firm of Podell & Podell in Manhattan was collecting \$1,000 a month in legal fees from Leasing Consultants Inc., the airline's parent company, which Mr. Miller also headed.

Mr. Podell says he acted out of generosity toward a client paying fees for unrelated work and urgently needing help in Washington. "In this business of politics it's hard to say no," he explains, contending that his intervention was an inadvertent conflict of interest. Mr. Miller's explanation differs markedly, however.

Their Man in Washington

If Mr. Podell's firm was compensated for services connected with the airline case—as Mr. Miller recalls but Mr. Podell denies—the Congressman could be in deeper trouble. Last year, the House Ethics Committee reminded lawmaker-lawyers that it's a crime to accept compensation for services rendered in a case involving the federal government—even if the work is done not by the Congressman but by a law firm in which he maintains merely a "residual interest."

Whatever his reason, the Congressman's assistance to his client wasn't just a one-time blunder. It's clear that officers of Leasing Consultants regarded him as their man in Washington. Mr. Miller frequented the Congressman's office and banded his name about.

"Through the gracious offices of Congressman Podell," another executive says, three State Department officials met with him to discuss recovering a company cargo plane seized by Uruguay. And Rep. Podell's help for the client company's wholly owned airline went well beyond that March 10 meeting.

Mr. Podell also discussed the airline case in his office with John W. Dregge, the CAB's director of congressional relations. He called in Robert G. Carahan, Mr. Dregge's counterpart at the Federal Aviation Administration. He kept files on the matter in both his congressional office on Capitol Hill and his law office on lower Broadway. He directed inquiries to the CAB on congressional stationery. And when the agency replied, in a letter addressed to "the Honorable Bertram L. Podell," his congressional address promptly forwarded it to Bertram L. Podell, esq., in New York.

WALL STREET
JOURNAL
8/23/71

But It Was All for Nought

But in the end, nothing helped Florida Atlantic. The company couldn't comply with government requests to produce evidence of an authorization from the Bahamian government, as required by international air agreements. On April 1, 1969, the FAA suspended Florida Atlantic's commercial air taxi certificate. Then Mr. Podell intervened at a higher level, speaking to G. Joseph Minetti, a member of the CAB. Nevertheless, a revocation order followed, grounding the airline and pushing the parent company into bankruptcy.

The company still owes \$4,000 in legal fees to Podell & Podell, the Manhattan firm Mr. Podell maintains with his father and his brother. Congressman Podell spends most Fridays and many a Monday there, drawing \$23,500 a year in addition to his congressional salary of \$22,850. He notes there are many similarities between representing legal clients for a fee and helping congressional constituents untangle semi-legal problems for free. In practice, he says, "it's very difficult to separate the work."

This is the dilemma of 70 or more Representatives and possibly a dozen Senators who continue to combine law and politics. Under the law, it's a crime for a Congressman to receive money, even indirectly, for representing a client in "any proceeding . . . request for a ruling or other determination" before a federal agency, if the U.S. is a party or if the federal government has a direct and substantial interest. Even if the Congressman's law partner does the representing, the Congressman could be prosecuted if he benefits from the fee.

The "Double-Door" Practice

Most lawmaker-lawyers read this as a flat prohibition against accepting income from any government cases their firms handle. And some have devised noteworthy arrangements to protect themselves against impropriety.

Rep. Podell's Brooklyn colleague, chairman Emanuel Celler of the House Judiciary Committee, maintains a "double-door" practice—two supposedly distinct law firms occupying the same quarters. One door lists five partners, including Mr. Celler; the other lists four, excluding him. All government-connected business is supposed to go through the second door.

A 1970 study of congressional ethics by the New York City bar association questioned the double-door technique. It urged that Senators elected to a full term and Representatives serving a third term give up law practice. "A good part of the normal activity of most urban law firms is representation of the type forbidden to members of Congress," the study found.

A relatively new rule of the American Bar Association

Please Turn to Page 15, Column 1

51-52-351

FLORIDA ATLANTIC AIRLINES
LEASING CONSULTANTS, INC.



b6
b7c

Wearing Two Hats: How Lawmaker Used Office to Plead Clients' Cause

Continued From Page One

Association says a government official can't permit use of his name by a law firm unless he's engaged in "active and regular" practice. This is aimed at the "facade" practice—politicians making money for nothing more arduous than referring clients, or merely lending their name to a law firm's door.

This rule is one factor in thinning the ranks of lawmaker-lawyers. Thirteen Representatives dropped their law affiliations last year, sometimes with difficulty. "I literally had to scrape it off myself," says GOP Rep. Charles E. Wiggins of California, describing his partners' reluctance some time ago to take his name off their door.

In Mr. Podell's case, he says Leasing Consultants hired his law firm sometime in 1967, before his election to Congress in February 1968; hence the client couldn't have been expecting political assistance. The fees, he's sure, were in payment for drafting the format of in-

dustrial leasing contracts and for advice "about a million other different things," certainly not for putting in a word for the beleaguered airline subsidiary.

Besides, he says, a clout-seeking client would have retained some senior Congressman, for no junior like himself can push bureaucrats around. "Why would they come to me?" he asks. "When my wife wants to travel south before Christmas I can't even buy a plane ticket—that's how powerful I am."

Mr. Miller, the Leasing Consultants president, supports this story in part, saying it was never his intent to purchase Mr. Podell's influence. But his recitation of the background scarcely squares with Rep. Podell's.

According to Mr. Miller, Leasing Consultants engaged the law firm to determine the legal status of Florida Airlines' flights between Miami or Fort Lauderdale and Freeport in the Bahamas. The CAB had designated the carrier to fly scheduled service between those points. But the government of Great Britain, acting for the Bahamas, wouldn't accept the designation, and the State Department was reluctant to push the British.

"We retained Podell & Podell to investigate our legal rights—that was the basic thing," Mr. Miller says. If this is true, the company must have retained the firm sometime after Mr. Podell's February 1968 election, because Leasing Consultants didn't acquire the airline until June 1968.

It does seem that Mr. Podell's recollections of his relationship with Leasing Consultants aren't always infallible. In one interview he said the law firm owned possibly 1,000 shares of Leasing Consultants stock while he was intervening on its behalf, and he remembered

selling at "nowhere near the high" of \$35 a share, reached in 1969. Later, after checking records, he gave "unquivocal" assurances that no Podell ever held a single share.

And without doubt, Mr. Podell does mix lawmaking with law practice to a curious degree. One \$8,970-a-year employee on his congressional payroll stands by at his New York law office to run errands, to drive the Congressman's personal limousine and to operate government-provided office machinery which, according to Mr. Podell, can't be squeezed into the congressional office. Recently, the law office ran short of legal forms. Brother-partner Herbert Podell routinely asked Barbara Podell's aides in Washington to duplicate 1,400 copies, "being sure to run both sides."

rather interesting!

Federal Bureau of Investigation
Records Branch

_____, 19____

☐ Name Searching Unit - Room 6527☐ Service Unit - Room 6524☐ Forward to File Review☐ Attention _____☒ Return to Franklin Dill 2252
Supervisor Room Ext.

Type of References Requested:

☐ Regular Request (Analytical Search)☐ All References (Subversive & Nonsubversive)☐ Subversive References Only☐ Nonsubversive References Only☐ Main _____ References Only

Type of Search Requested:

☐ Restricted to Locality of _____☐ Exact Name Only (On the Nose)☐ Buildup ☐ VariationsSubject Beatrice L. Dodel

Birthdate & Place _____

Address _____

Localities _____

R# _____ Date 8-23 Searcher Initials L

Prod. _____

FILE NUMBER

SERIAL

I-NP

94-63718

I-NP

NP

NP

NP

b3
b7E

, 19__

☐ Name Searching Unit - Room 6527
☐ Service Unit - Room 6524
☐ Forward to File Review
☐ Attention _____
☒ Return to Franklin Field 2552
 Supervisor Room Ext.

☐ Regular Request (Analytical Search)
☐ All References (Subversive & Nonsubversive)
☐ Subversive References Only
☐ Nonsubversive References Only
☒ Main S References Only

☒ Restricted to Locality of _____

☐ Exact Name Only (On the Nose)

☐ Buildup ☐ Variations

Address

Localities

R# _____ Date 8-13 Searcher Initials [Signature]

Prod.

FILE NUMBER

SERIAL

NI

116-112986

NP

100-435578

645

M.

b6
b7C

Federal Bureau of Investigation
Records Branch

, 19__

<input type="checkbox"/>	Name Searching Unit - Room 6527
<input type="checkbox"/>	Service Unit - Room 6524
<input type="checkbox"/>	Forward to File Review
<input type="checkbox"/>	Attention _____
<input checked="" type="checkbox"/>	Return to <u>Franklin Field</u> 2054
	Supervisor (Room Ext.)

Type of References Requested:

<input type="checkbox"/>	Regular Request (Analytical Search)
<input type="checkbox"/>	All References (Subversive & Nonsubversive)
<input type="checkbox"/>	Subversive References Only
<input type="checkbox"/>	Nonsubversive References Only
<input type="checkbox"/>	Main _____ References Only

Type of Search Requested:

<input type="checkbox"/>	Restricted to Locality of _____
<input type="checkbox"/>	Exact Name Only (On the Nose)
<input type="checkbox"/>	Buildup <input type="checkbox"/> Variations

Subject Florida Atlantic Hurricane
 Birthdate & Place _____
 Address _____

Localities _____

R# _____ Date 8-23 Searcher Initials h

Prod. _____

FILE NUMBER SERIAL

I-NP

--

b3
b7E

8-23, 1971

<input type="checkbox"/>	Name Searching Unit - Room 6527
<input type="checkbox"/>	Service Unit - Room 6524
<input type="checkbox"/>	Forward to File Review
<input type="checkbox"/>	Attention _____
<input checked="" type="checkbox"/>	Return to <u>Frankenfield 2252</u>
	Supervisor Room Ext.

☐ Regular Request (Analytical Search)
☒ All References (Subversive & Nonsubversive)
☐ Subversive References Only
☐ Nonsubversive References Only
☐ Main _____ References Only

☐ Restricted to Locality of _____
☒ Exact Name Only (On the Nose)
☐ Buildup ☐ Variations

Subject Reasoning Consultants
 Birthdate & Place _____
 Address _____

Localities _____
 R# _____ Date _____ Searcher Initials *R. M. S.*
 Prod. _____

[illegible]

F B I

Date: 11/4/71

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL _____
(Priority)

TO: DIRECTOR, FBI

FROM: SAC, NEW YORK (58-NEW)

SUBJECT: CONGRESSMAN BERTRAM L. PODELL
COI
(OO: WFO)

ReBuairtel to NY, 11/2/71.

On 11/4/71, review of Queens, New York telephone directory, revealed Leasing Consultants, Inc. (LCI), 1044 Northern Boulevard, Roslyn, New York, 516-484-5000.

Brooklyn and Manhattan directories revealed BERTRAM L. PODELL, 160 Broadway, New York City, phones 267-1778 and BA7-1576. [redacted] and HYMAN PODELL

[redacted] Congressman's office address was shown as 1507 Avenue M, Brooklyn, New York, 336-7575 and home as 153 Rugby Road, Brooklyn, BU2-1234.

Phone for LCI was ascertained to be disconnected. [redacted] (protect). [redacted] advised

[redacted] New York Credit Mens Adjustment Bureau advised that LCI went into bankruptcy around 10/14/71 and NY Credit was appointed Trustee. [redacted] There is no longer any address or premises for LCI and all assets have been liquidated. [redacted] has been attempting to locate any officer and in particular [redacted] to testify in 21A bankruptcy hearing before Referee [redacted] Westbury, NY, however, there is no trace of either individual. [redacted] Attorney for Trustee, may have some further information on [redacted] and other officers. Books in possession of Trustee and attorney.

- 2 - Bureau
- 1 - Miami (INFO)
- 2 - Washington Field
- 2 - New York

Approved: JTB:mav
(8) Special Agent in Charge

Sent _____ M Per _____

b6
b7C

b6
b7C

REC-35

NOV 5 1971

ST-103

NY 58-NEW

On 11/4/71, [redacted] was in court and not available for consultation.

b6
b7C

On 11/4/71, the office of Congressman PODELL, 1507 Avenue M, Brooklyn, NY, advised that PODELL is currently in WDC where Congress is in session.

Review of indices reveals NY 87-49350 opened on complaint of 10/24/67 entitled "Leasing Consultants, Inc., Forest Hills, N.Y.". Complaint involved advance payments received by LCI for financing new businesses and their alleged failure to satisfy agreement. Case was closed on 1/2/68 for lack of Federal violation and since it was a civil litigation matter. Officers of LCI were shown as [redacted]

b6
b7C

[redacted] No addresses were listed.

A Dun & Bradstreet report of 5/26/67 revealed same officers who were also directors at 9520 63rd Road, Forest Hills, New York, with firm incorporated in August, 1966, at New York.

[redacted] was shown as born in [redacted]

b6
b7C

WFO contact Congressman at WDC.

NYO continuing attempts to locate [redacted] or any other officer of LCI. Will hold in abeyance contact with PODELL & PODELL, 160 Broadway, NYC, until prior contact with Congressman by WFO.

b6
b7C

Because of difficulty in locating LCI officers, no specific data for report can be ascertained. Possible estimate date of completion 11/19/71.

Bureau will be kept advised.

F B I

Date: 11/5/71

Transmit the following in _____
(Type in plaintext or code)Via A I R T E L _____
(Priority)

TO: DIRECTOR, FBI

FROM: SAC, MIAMI (58-391) (RUC)

7

CONGRESSMAN BERTRAM L. ^{PODELL}
 CONFLICT OF INTEREST
 (OO: WASHINGTON FIELD)

Re Bureau airtel to Washington Field, 11/2/71.

The following investigation was conducted by
 SA WILLIAM B. PULLEN at Ft. Lauderdale, Fla., on 11/5/71:

A review of current city and telephone directories
 at Ft. Lauderdale, Fla., failed to reflect a listing for
 Florida Atlantic Airlines, Inc., Leasing Consultants or
 [redacted]

Mrs. JAN MEYER, Office of LEE WAGNER, Airport
 Manager, Ft. Lauderdale-Hollywood International Airport,
 advised that Florida Atlantic Airlines, Inc., has been out
 of business for over one year and that the parent company,
 Leasing Consultants, [redacted] is located
 at 95-20 63rd Road, Forrest Hills, N. Y., 11374.

Inasmuch as a review of reairtel and attached
 communications reflect all investigation at New York and
 Washington Field, and in view of limited investigation
 at Miami, this matter being RUC'd and no report being
 submitted by Miami.

2 - Bureau
 2 - New York
 2 - Washington Field
 1 - Miami
 WBP/gtj
 (7) F-17

EX-100

REC-12

58-7551

58-7551-3 6-WAF

NOV 9 1971

Approved: K.W.W. [signature] Sent _____ M Per _____
 Special Agent in Charge

Miss Gandy

b6
b7Cb6
b7C

MM 58-391

NEW YORK

AT FORREST HILLS, N. Y.

[redacted] Will, at 95-20 63rd Road, interview [redacted]
[redacted] Leasing Consultants, as requested by reairtel
and ascertain location of records of Florida Atlantic
Airlines, Inc. Obtain information as requested by reairtel
or set forth lead.

b6
b7C

F B I

Date: 11/5/71

Transmit the following in _____
(Type in plaintext or code)

Via AIRTEL _____
(Priority)

TO: DIRECTOR, FBI
FROM: SAC, NEW YORK (58-new)
SUBJECT: CONGRESSMAN BERTRAM L. PODELL
COI
OO:WFO

ReBuairtel to NY, 11/2/71, and NYairtel to Bureau,
11/4/71.

On 11/5/71, [redacted] of firm Hahn, Messon, Margolis
and Ryan, Attorneys for the Trustee in Bankruptcy, in the matter
of Leasing Consultants, Inc. (LCI) advised that [redacted]

[redacted] Wall Street Journal indicated to
[redacted] that [redacted] was located through attorney [redacted] firm of
Palmer & Lazar, 66 West Flagler Street, Miami, 371-6461.
[redacted] was also [redacted]

[redacted] LCI, allegedly located
in [redacted] although he cannot be located for subpoena service in
bankruptcy matter.

[redacted] c/o Meiko and Bush, NYC, was a director and
possibly general counsel of LCI who handled acquisition of Florida
Atlantic, Ft. Lauderdale, for LCI.

2-Bureau
2-Miami
2-Washington Field
2-New York

JPB:cf
(9)

EX-112
REC-10

16 NOV 8 1971

31 NOV 12 1971

Approved: [Signature]
Special Agent in Charge

Sent _____ M Per _____

NY 58-new

Law firms employed by LCI in connection with route to Bahamas were Podell & Podell, NYC; Boros & Lester, 1120 Connecticut Ave., N.W., Washington, D.C.; and [redacted] attorney, Washington, D.C., who would be familiar with any dealings with Congressman PODELL.

LCI represented by [redacted] of Boros & Lester as special counsel before CAB in obtaining route designation. [redacted] were supposed to work behind scenes lining up influential people and were supposed to be in contact with Congressman PODELL. KENNETH BURNSTINE currently in munitions business believed to be completely familiar with contacts with Congressman.

b6
b7C

Podell & Podell filed proof of claim in bankruptcy against LCI for \$16,000.00.

LEADS

MIAMI

AT MIAMI, FLORIDA. Locate and interview [redacted] [redacted] 66 West Flagler St., Miami, in accordance with Bulet.

b6
b7C

2. Consider interview of [redacted] [redacted] along same line.

AT FT. LAUDERDALE, FLORIDA. Consider interview of KENNETH BURNSTINE, former Florida Atlantic Airlines president, formerly of 1951 N.E. 51st St., Ft. Lauderdale re his contacts with PODELL.

WASHINGTON FIELD

AT WASHINGTON, D.C. Consider contact and interview of [redacted] of Boros & Lester law firm and [redacted] attorney, who were allegedly familiar with any dealings with Congressman PODELL.

b6
b7C

NY 53-new

New York will locate former LCI officers, review any correspondence and review Podell & Podell proof of claim.

Bureau, Washington Field and Miami note re NYairtel paragraph three line six should be 10/14/70, and not 10/14/71.

F B I

Date: 11/10/71

Mr. Tolson	_____
Mr. Felt	_____
Mr. Rosen	_____
Mr. Mohr	_____
Mr. Bishop	_____
Mr. Miller, ES	_____
Mr. Callahan	_____
Mr. Casper	_____
Mr. Conrad	_____
Mr. Dalbey	_____
Mr. Cleveland	_____
Mr. Ponder	_____
Mr. Bates	_____
Mr. Tavel	_____
Mr. Walters	_____
Mr. Soyars	_____
Tele. Room	_____
Miss Holmes	_____
Miss Gandy	_____

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL _____
(Priority)

TO: DIRECTOR, FBI

FROM: SAC, WFO (58-1260) (P)

CONGRESSMAN BERTRAM L. PODELL
 CONFLICT OF INTEREST
 (OO:WFO)

Re Bureau airtel, 11/2/71.

Investigation of this case in WFO has been delayed as Agent to whom case is assigned has been kept busy locating and securing documentary evidence which Special Prosecutor STEPHEN SACHS has requested at the last minute for the trial of Congressman JOHN DOWDY which started on 11/8/71.

In this case to date interviews have been conducted with _____

_____ Civil Aeronautics Board (CAB) and with _____ Member, CAB. _____ former CAB employee, whom PODELL telephonically contacted and who sat in on a _____ conference with PODELL has also been interviewed. Files at CAB have been reviewed.

Prior to interviewing PODELL, it is felt that _____ CAB, should be interviewed as he also, reportedly sat in at a conference PODELL had with _____

② Bureau
 1- WFO

CVB:dag
 (3)

NOV 12 1971

Approved: RGK/p
 Special Agent in Charge

Sent _____ M Per _____

U. S. GOVERNMENT PRINTING OFFICE: 1971-413-135

58 NOV 16 1971

WFO 58-1260

will be interviewed as soon as an appointment can be made. Thereafter appointment will be made to interview PODELL.

b6
b7c

Efforts will be made to complete entire investigation WFO by 11/19/71 with submission of report immediately thereafter.

F B I

Date: 11/11/71

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL _____
(Priority)

Mr. Tolson	_____
Mr. DeLoach	_____
Mr. Mohr	_____
Mr. Bishop	_____
Mr. Casper	_____
Mr. Callahan	_____
Mr. Conrad	_____
Mr. Felt	_____
Mr. Gale	_____
Mr. Rosen	_____
Mr. Sullivan	_____
Mr. Tavel	_____
Mr. Trotter	_____
Tele. Room	_____
Miss Holmes	_____
Miss Gandy	_____

TO: DIRECTOR, FBI

FROM: SAC, WFO (58-1260) (P)

CONGRESSMAN BERTRAM L. PODELL
CONFLICT OF INTEREST
(OO:WFO)

Re NY airtel 11/5/71.

For Miami's information, [REDACTED]

[REDACTED] Civil Aeronautics Board (CAB), has advised that at the request of Congressman PODELL he met with the congressman and [REDACTED] of Leasing Consultants, Inc., in PODELL's office on 6/17/70. At this meeting, [REDACTED] discussed the status of Florida Atlantic Airline and the possibility of obtaining designation for operation on Route Nine of the United States-United Kingdom bilateral agreement.

[REDACTED] advised that [REDACTED] was the main speaker at the 6/17/70 meeting on behalf of the airline, but PODELL backed him up on the issues.

During interview with [REDACTED] ascertain to what extent PODELL argued on behalf of Florida Atlantic Airline at this meeting and what efforts PODELL expended on behalf

- ② Bureau
- 2- Miami (Info) (58-391)
- 1- WFO

CVB:ksv
(5)

EX-104

REC 31

7 new info
b-1
58-1260-6
NOV 12 1971

54 NOV 17 1971

Approved: _____ Sent _____ M Per _____

Special Agent in Charge

b6
b7cb6
b7c

WFO 58-1260

of the airline on any other occasion, and individuals PODELL contacted in behalf of the airline. Also determine if [] attended a meeting on 3/10/69 at CAB concerning the airline, which meeting was attended by PODELL, who has been described by a former CAB employee as the principal speaker at the meeting for the airline group.

b6
b7C

Determine from both [] if PODELL or his law firm owned any stock at any time in Florida Atlantic or Leasing Consultants, Inc. Also determine if either company picked up the expenses for any trip made by PODELL to Miami, the Bahamas or elsewhere.

[] attended the 3/10/69 meeting at CAB. During his interview, determine to what extent PODELL argued on behalf of the airline at the meeting.

b6
b7C

Thoroughly interview both [] as to what PODELL was to do for the companies, why he was doing it, etc.

F B I

Date: 11/10/71

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL _____
(Priority)

TO: DIRECTOR, FBI
FROM: SAC, MIAMI (58-391)
SUBJECT: CONGRESSMAN BERTRAM L. PODELL
CONFLICT OF INTEREST

(OO: WASHINGTON FIELD)

Re Bureau airtel 11/2/71.

[redacted] who resides at [redacted]
[redacted] has been interviewed at his place
of employment, Fiscal Concepts Corporation, Suite 810,
66 West Flagler, Miami, Florida. A sworn signed statement
is being prepared for his signature. Attorney [redacted]
[redacted] Suite 810, 66 West Flagler, has been located and
interviewed concerning captioned matter.

KENNETH BURNSTINE, former president, Florida
Atlantic Airlines, has not been located to date. Efforts
are continuing to locate and interview BURNSTINE concerning
captioned matter. It is anticipated that a report reflecting
completed investigation will be submitted by 11/19/71,
depending upon locating and interviewing BURNSTINE.

For the information of New York, [redacted] advised
all records and files concerning this matter should be in
the hands of the attorney for the Trustee in Bankruptcy
concerning Leasing Consultants, Inc. (LCI).

For the information of the Bureau, [redacted]
on the advice of attorney [redacted] declined to furnish
a waiver of the client/attorney relationship of LCI with

2 - Bureau
2 - Washington Field
2 - New York
2 - Miami
JRM:bj
(8)

REC-32 58-7551-7

NOV 12 1971

Approved: [Signature]
Special Agent in Charge

Sent _____ M Per _____

MM 58-391

the firm of Podell and Podell stating there was no personal representation by PODELL of himself and that he had been asked to resign from LCI and, therefore, feels he has no right to sign a waiver which would be effective against LCI in its relationship with the law firm of Podell and Podell.

F B I

Date: 11/12/71

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL _____
(Priority)

TO: DIRECTOR, FBI

FROM: SAC, NEW YORK (58-1760)

SUBJECT: CONGRESSMAN BERTRAM L. PODELL
COI
(OO: WFO)

ReBuairtel to NY, 11/2/71 and NYairtels to Bu,
11/4 and 11/5/71.

Enclosed for Atlanta and Newark are two copies each of Buairtel of 11/2/71, Departmental memorandum, 11/1/71 and Wall St. Journal article of 8/23/71. Enclosed also for Atlanta, Newark, Miami and WFO are two copies each of 10/17/69 letter from [redacted] to [redacted] FAA, Atlanta and 10/24/69 letter to [redacted] from PODELL & PODELL.

For information of Newark and Atlanta, Leasing Consultants, Inc. (LCI) formerly of Roslyn and Forest Hills, NY, was adjudicated a bankrupt, EDNY, in 1967, a petition under Chapter 11 having been filed on 8/18/70. A review of the bankruptcy file has disclosed a proof of claim by Podell and Podell, 160 Broadway, NYC, for \$16,000 against LCI.

Allegations in enclosures which are self explanatory indicate Congressman BERTRAM L. PODELL, a member of Podell and Podell law firm may have negotiated or interfered in the LCI attempts to obtain a Route 9 designation for its subsidiary, Florida Atlantic Airlines, Inc., Ft. Lauderdale, Florida, which would enable it to continue flying passengers from Florida to the Bahamas. Such attempts were evidently unsuccessful and the airline is currently defunct although not in bankruptcy.

- (2) - Bureau
2 - Atlanta (Enc. 10)
1 - Miami (Enc. 4) (INFO)
2 - Newark (Enc. 10)
2 - Washington Field (Enc. 4)
1 - New York

Approved: JPB:mav
(11) Special Agent in Charge

Sent _____ M Per _____

b6
b7c

NY 58-1760

NYO has attempted to locate and identify pertinent officials of LCI for interview in relation to the possible conflict of interest on the part of Congressman PODELL and leads are set out hereinafter for the respective divisions.

[redacted] Attorney for the Trustee, in the bankruptcy matter, has made available letters as follows:

b6
b7C

The 10/17/69 letter from [redacted] to [redacted] Area Counsel, FAA, Atlanta, refers to a meeting on 10/15/69 between the two individuals and alleges that LCI hired Congressman BURTON PODEL, a member of the House Aviation Subcommittee, to gain expertise in the operation of LCI air carrier business. It also hired Boros and Lester, W.D.C. law firm whose member [redacted] of CAB and hired [redacted] of CAB as [redacted]

b6
b7C

The letter stated that [redacted] contacted Mr. GARGOLY (presumably of FAA) re the route designation. Eventually a revocation order of the carrier's certificate was issued by the "area office" and operations ceased. The letter requested a new certificate for Florida Atlantic Airlines.

[redacted] Miami, Florida, was [redacted]
[redacted]

before CAB and FAA in trying to obtain the Bahama route designation.

b6
b7C

A letter of 10/24/69 from Podell and Podell to [redacted] denied the Congressman had been hired by LCI and opposed the use of his name in any contacts with any agency. It pointed out that he was a member of the firm of Podell and Podell.

Individuals associated with LCI or Florida Atlantic were as follows:

[redacted]

b6
b7C

NY 58-1760

[REDACTED]

KENNETH BURNSTINE, President, Florida Atlantic Airlines

[REDACTED]

b6
b7C

LCI allegedly obtained subsidiary, Florida Atlantic, in the summer of 1968. The airline was at least nominally run by a [REDACTED] location now unknown.

NYO has interviewed [REDACTED] who disclaimed any knowledge of contacts with PODELL or law firm and is attempting to interview [REDACTED] and locate [REDACTED]

[REDACTED]

b6
b7C

Miami note reference to [REDACTED]
as nominal head of Florida Atlantic Airlines.

LEADS

ATLANTA

AT ATLANTA, GEORGIA. Interview [REDACTED] Area Counsel, FAA, 3400 Whipple Street, Atlanta, concerning dealings with Congressman PODELL, [REDACTED] as set out by 10/17/69 letter in accordance with Bu and Department instructions. Identify parties to all meetings between [REDACTED] and LCI or in reference to Route 9 designation for LCI or Florida Atlantic Airlines.

b6
b7C

NEWARK

AT NEW BRUNSWICK, NEW JERSEY. Interview [REDACTED] of LCI, c/o LAVENTHOL, KREKSTEIN and HORVATH, [REDACTED] re LCI dealings with [REDACTED]

b6
b7C

NY 58-1760

Podell and Podell or Congressman PODELL in accordance with Bu and Departmental instructions. Inquiry as to identity and location of other LCI officers or principals. [redacted] resides at [redacted]

b6
b7C

AT LIVINGSTON, NEW JERSEY. Interview [redacted] of LCI (as listed in bankruptcy schedules, EDNY) [redacted] concerning dealings with PODELL and PODELL or Congressman PODELL in connection with Bahama route designation for LCI or Florida Atlantic Airlines, Inc. as outlined in Bu and Departmental instructions. Ascertain location and identity of other officers of LCI.

AT SOMERVILLE NEW JERSEY. Interview [redacted] LCI (per bankruptcy schedules) [redacted] as above.

b6
b7C

WASHINGTON FIELD OFFICE

AT WASHINGTON, D.C. 1. Consider interview of [redacted] and other members of law firm of Boros and Lester, 1120 Connecticut Avenue, Northwest, retained by LCI as special counsel, handling proceedings before CAB and who possibly dealt with Congressman.

b6
b7C

2. Consider interview of [redacted] or CAB as above (see 10/17/69 letter).

3. Consider interview of [redacted] attorney, W.D.C., [redacted] of CAB, who negotiated for route designation on behalf of LCI and who would be familiar with any contacts with PODELL. [redacted] was hired by LCI as [redacted]

b6
b7C

4. Attempt to identify Mr. GARGOLY referred to in 10/17/69 letter and allegedly an official of FAA (possibly Florida) and set out appropriate lead for interview.

b6
b7C

F B I

Date: 11/16/71

Mr. Tolson	_____
Mr. Felt	_____
Mr. Rosen	_____
Mr. Mohr	_____
Mr. Bishop	_____
Mr. DeLoach	_____
Mr. Casper	_____
Mr. Callahan	_____
Mr. Conrad	_____
Mr. Felt	_____
Mr. Gale	_____
Mr. Rosen	_____
Mr. Sullivan	_____
Mr. Tavel	_____
Mr. Trotter	_____
Tele. Room	_____
Miss Holmes	_____
Miss Gandy	_____

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL _____
(Priority)

TO: DIRECTOR, FBI

FROM: SAC, WFO (58-1260) (P)

CONGRESSMAN BERTRAM L. PODELL
 CONFLICT OF INTEREST
 (OO:WFO)

BERTRAM PODELL from WFO

ReNYairtel 11/12/71.

Congressman BERTRAM PODELL interviewed under oath
 11/16/71, and furnished the following information.

Sometime in 1968, exact date not recalled, []
 [] an attorney, [] New York, called him and
 asked him if he would like to go to the Bahamas with
 [] and a client of [] regarding a problem the
 client was having in the Bahamas. PODELL recalled he had
 already been elected to Congress when he received the
 call from [] who knew PODELL
 was acquainted with people in business in the Bahamas.
 [] said they had to leave the next day.

PODELL said he telephoned a []
 Grand Bahamas Development Authority, Nassau, to determine
 [] would be there as the trip was being made to introduce

- ② - Bureau
 2 - New York (58-1760)
 1 - Miami (58-391) (Info)
 1 - WFO

CVB:1mt
 (6)

REC 31

EX-117

MCT-27

NOV 18 1971

Approved: *[Signature]*
 58 NOV 22 1971
 Special Agent in Charge

Sent _____ M Per _____

WFO 58-1260

[] and his client to [] PODELL stated he agreed to accompany [] and client and was introduced to [] [] Leasing Consultants, Incorporated (LCI) [] also connected with LCI, both of whom accompanied [] and PODELL on trip.

b6
b7C

PODELL stated he made the introduction and this was the only service he performed. He said LCI also had a problem in Puerto Rico involving a member of the Board of Directors LCI named BURNSTINE, said he does not recall nature of the problem but LCI engaged his father, HYMAN PODELL to go to Puerto Rico which he did but accomplished nothing.

PODELL said the above two transactions were the only ones for which LCI retained the services of PODELL and PODELL. PODELL could not recall exact amount Podell and Podell were to be paid for above services but thinks it was \$10,000 plus additional expenses incurred by his father in Puerto Rico. He said [] was to get one-third of the fees for referring the business to Podell and Podell. He said LCI did not pay entire amount and still owes the law firm some money.

b6
b7C

PODELL said that some months later [] in Washington, D. C. (WDC), called him to discuss a problem a subsidiary of LCI, Florida Atlantic Airline, was having in getting a Route 9 preference. PODELL said he either called or wrote the Civil Aeronautics Board (CAB) requesting information and he received a letter from a [] of CAB. He said [] subsequently wanted him to arrange a meeting for [] to meet with CAB official to discuss the matter. He arranged meeting and accompanied [] to meeting with [] at CAB.

b6
b7C

PODELL said neither he nor his law firm were representing LCI at time of the contacts with CAB and neither he nor the law firm received a penny for these services which he performed out of friendship with [] He said he so informed the "Wall Street Journal" writer who interviewed him prior to the 8/23/71 article. He said he fired [] [] and feels [] was responsible for the article.

b6
b7C

Prior to completion of interview it had to be terminated because PODELL had to leave for committee meeting. Efforts were made to secure appointment for early completion of interview but PODELL who is leaving for New York City on 11/17/71, said he could not possibly find time until 12/3/71, after Thanksgiving Holiday. Interview will be completed at that time and statement will be prepared for his signing.

WFO 58-1260

PODELL said he is not familiar with exact payment received from LCI but it is reflected by the law firm's books which will be made available for review concerning services for LCI. He said he intends to tell [redacted] and father to make the books available

b6
b7C

PODELL said he never owned any stock in LCI. He said that after the trip to the Bahamas he discussed with [redacted] the possibility of buying 1,000 shares as LCI stock was then selling at about \$5 a share. He said [redacted] seemed interested as [redacted] had made glowing statements concerning plans for the company. He said when he was first interviewed by the "Wall Street Journal" writer he had told him he thought he [redacted] had purchased and owned 1,000 shares of LCI. He said he checked with [redacted] and learned [redacted] had never purchased the LCI stock and so informed the writer.

b6
b7C

PODELL said the expenses for the Bahama trip were included in his fee and the only expenses LCI or [redacted] may have paid for was a dinner or two. He said neither LCI nor [redacted] picked up any gambling losses in Nassau and said he recalled losing \$20.

[redacted] New York conduct interviews with HYMAN and [redacted] and review books of the law firm.

b6
b7C

Also interview [redacted] New York Attorney, for full details concerning original retaining of PODELL and what he was to do for LCI and compensation therefore.

Miami, in light of PODELL's information, consider adviseability of reinterviewing [redacted]

b6
b7C

WFO will locate and interview [redacted]

F B I

Date: 11/17/71

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL AIRMAIL
(Priority)TO: DIRECTOR, FBI
FROM: SAC, MIAMI (58-391)-(P)CONGRESSMAN BERTRAM L. PODELL
COI

(OO: WFO)

RE: Bureau airtel, 11/2/71.
Miami airtel to Bureau, 11/10/71.
New York airtels to Bureau, 11/12/71.

[redacted] furnished sworn signed statement, 11/15/71, and advised only person he recalls attending meeting in Congressman PODELL's office with CAB representative [redacted] was MICHAEL J. ZOROVICH. ZOROVICH was hired by LCI as operative executive of Florida Atlantic Airlines. [redacted] stated Attorney [redacted] was not present at this meeting.

[redacted] Attorney, advised he attended meeting in office of Congressman PODELL with unrecalled CAB representative and unrecalled official of LCI.

Above indicated more than one meeting between official of CAB, LCI and Congressman PODELL.

KENNETH BURNSTINE located and interviewed 11/16/71, Ft. Lauderdale, Florida. He has no knowledge regarding relations between Congressman PODELL and LCI.

2 - Bureau
2 - WFO (58-1260)
1 - New York (58-1760) (Info)
3 - Miami
JRM:apj f46
(8)

REC 31 58-7251-10

ST-103

6 NOV 19 1971

Approved: K.W.W. [signature]
Special Agent in Charge

Sent _____ M Per _____

MM 58-391

Information copy being furnished New York.

Miami report being prepared.

LEAD:

MIAMI

At Miami, Florida

Will locate and interview MICHAEL J. ZOROVICH regarding his participation in discussion in PODELL's office.

At Fort Lauderdale, Florida

Will attempt to identify, locate and interview [redacted] reportedly running Florida Atlantic Airlines.

b6
b7C

Airtel

11/19/71

TO: SACs, Atlanta (58-)
Newark (58-)

1 - Mr. Frankenfield

FROM: Director, FBI (58-7551)

CONGRESSMAN BERTRAM L. PODELL

COI

OO: WFO

AT and NE are instructed to afford all leads in this matter immediate, preferred and continuous handling. Advise by return airtel date report will be submitted reflecting completion of all investigation.

1 - Miami (58-391) (Info)
1 - New York (58-1760) (Info)
1 - WFO (58-1260) (Info)

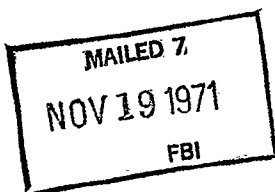
WAF:bjp
(9)

EX-100

REC-12

NOV 22 1971

Tolson _____
Felt _____
Rosen _____
Mohr _____
Bishop _____
Miller, E.S. _____
Callahan _____
Casper _____
Conrad _____
Dalbey _____
Cleveland _____
Ponder _____
Bates _____
Tavel _____
Walters _____
Soyars _____
Tele. Room _____
Holmes _____
Gandy _____



MAIL ROOM ☒ TELETYPE UNIT ☐

F B I

Date: 11/18/71

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL _____
(Priority)

TO: DIRECTOR, FBI

FROM: SAC, NEW YORK (58-1760)

SUBJECT: CONGRESSMAN BERTRAM L. PODELL
COI
(OO: WFO)

ReBuairtel to NY, 11/2/71, and NYairtels to Bu,
11/4 and 11/5/71.

[redacted] of
Leasing Consultants, Inc. (LCI), interviewed and [redacted]
[redacted] LCI
also interviewed at NYC. Neither desired to furnish waiver
of client-attorney relationship.

[redacted] has telephonically contacted NYO and
desires to be contacted on 11/18/71 re possible interview.

[redacted] of Hahn, Hessian, Margolis and
Ryan, NYC, Attorneys for the Trustee in Bankruptcy of LCI,
seeking opinion as to whether Trustee can furnish waiver
of client-attorney relationship of LCI in view of declination
of [redacted]

Contact with Podell and Podell being held in abeyance
pending such waiver or results of preliminary contact with
Congressman by WFO. In addition, NYO is in contact with
CPA firm S. D. Leidesdorf & Co., NYC, who will locate and
provide details of legal fees paid by LCI to Podell and
Podell.

In view of above and subsequent contact of Wall St.
Journal reporter, NYO will not submit report of completed
investigation on 11/19/71. REC-12

Revised date for such report estimated 12/3/71.

- ② - Bureau
1 - Washington Field (INFO)
1 - Miami (58-391) (INFO)
1 - New York

Approved: JPB:mav
(6) Special Agent in Charge

Sent _____ M Per WBF

b6
b7C

b6
b7C

F B I

Date: 11/19/71

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL _____
(Priority)

TO: DIRECTOR, FBI

FROM: SAC, NEWARK (58-685)

SUBJECT: CONGRESSMAN BERTRAM L. PODELL
COI
00: WFO
CR58-7551-8
Re New York airtel to Bureau, dated 11/12/71.

It is anticipated that a report reflecting completion of all investigation in the Newark Division will be submitted by 12/3/71.

EX-117

REC-51

58-7551-13

2-Bureau
2-WFO
2-Newark
CMD/mlc
(6)

NOV 26 1971

57 NOV 26 1971

Approved: RWB/
Special Agent in Charge

Sent _____ M Per _____

F B I

Date: 11/17/71

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL _____
(Priority)

Mr. Tolson	_____
Mr. Felt	_____
Mr. Rosen	_____
Mr. Sullivan	_____
Mr. Tavel	_____
Mr. Trotter	_____
Mr. Tele. Room	_____
Mr. Holmes	_____
Miss Gandy	_____

TO: DIRECTOR, FBI

FROM: SAC, WFO (58-1260) (P)

CONGRESSMAN BERTRAM L. PODELL
CONFLICT OF INTEREST
(OO:WFO)

Re WFO airtel 11/16/71.

During the interview of Congressman PODELL on 11/16/71, he advised that he had received a letter dated 11/1/71, from HENRY E. PETERSON, Acting Assistant Attorney General, Criminal Division, Department of Justice, informing him an investigation was being instituted. PODELL asked when the Justice Department had instructed the FBI to initiate the investigation. He was informed that PETERSON had written the Director on 11/1/71, requesting an investigation be instituted.

PODELL then exhibited a copy of the 10/8/71 issue of the "Wall Street Journal" wherein one page one under column captioned "Washington Wire" a subheading "Minor Memos" contains the following:

"The FBI is probing Brooklyn Democratic Representative PODELL's use of his congressional office to plead the case of an airline legal client at the Civil Aeronautics Board."

PODELL asked how the FBI could have leaked this information prior to being requested to conduct the investigation and he asked for the identity of the official at the Bureau whom he could call for an explanation.

2 - Bureau
1 - WFO

CVB:dam

54 NOV 29 1971

Approved: _____

Special Agent in Charge

Sent _____

Per _____

WFO 58-1260

SA CARLTON V. BRODEN advised PODELL that the leak, if there had been one, definitely did not come from the FBI as the Bureau had not received any request to conduct an investigation until PETERSON's letter of 11/1/71, was received. Assistant Director THOMAS E. BISHOP's name was furnished to PODELL as the individual he should contact if he was interested in pursuing the matter but he did not write BISHOP's name down and was apparently satisfied with the explanation furnished.

FEDERAL BUREAU OF INVESTIGATION
COMMUNICATIONS SECTION

NOV 19 1971

TELETYPE

Mr. Tolson	_____
Mr. Felt	_____
Mr. Rosen	_____
Mr. Mohr	_____
Mr. Bishop	_____
Mr. Miller, ES	_____
Mr. Callahan	_____
Mr. Casper	_____
Mr. Cleveland	_____
Mr. Glavin	_____
Mr. Ladd	_____
Mr. Nichols	_____
Mr. Rosen	_____
Mr. Tracy	_____
Tele. Room	_____
Miss Holmes	_____
Miss Gandy	_____

BDR
HB
SL

NR015 MM PLAIN

857PM NITEL 11-19-71 WTC

TO DIRECTOR

FROM MIAMI 58-391 1P

CONGRESSMAN BERTRAM L. PODELL, COI. OO: WFO.

RE MIAMI AIRTEL NOVEMBER TEN LAST.

MIAMI IS DELAYING SUBMISSION OF PENDING REPORT.

REPORT REFLECTING COMPLETED INVESTIGATION WILL BE SUBMITTED
UPON LOCATION AND INTERVIEW OF [REDACTED] AND MICHAEL J.
ZOROVICH.

AIRMAIL COPIES TO WFO AND NEW YORK.

END

EX-101

REC-35

58-7551-15

6 NOV 22 1971

NOV 29 1971

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE ATLANTA	OFFICE OF ORIGIN WFO	DATE 11/26/71	INVESTIGATIVE PERIOD 11/22/71
TITLE OF CASE CONGRESSMAN BERTRAM L. PODELL		REPORT MADE BY SA JACK M. WEBRECK	TYPED BY wjb
		CHARACTER OF CASE CONFLICT OF INTEREST	

REFERENCE: New York airtel to Bureau, 11/12/71.

- RUC -

LEADS

MIAMI DIVISION

AT MIAMI, FLORIDA

If not already done, will interview [redacted] Attorney, FAA, and review the file concerning Florida Atlantic Airlines, Incorporated, which is supposedly in his possession.

b6
b7c

ACCOMPLISHMENTS CLAIMED						<input checked="" type="checkbox"/> NONE	ACQUIT-TALS	CASE HAS BEEN:
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES			
								PENDING OVER ONE YEAR <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO PENDING PROSECUTION OVER SIX MONTHS <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
APPROVED LECON						SPECIAL AGENT IN CHARGE		
COPIES MADE:						DO NOT WRITE IN SPACES BELOW		
③-Bureau (58-7551) 2-WFO 2-Miami 1-Atlanta (58-307)						58-7551-16 REC-2 EX-100 12 NOV 29 1971		
Dissemination Record of Attached Report						Notations		
Agency	1AAG ma. 0-6D							
Request Recd.	att: Mr. Stephen M. Wegliand							
Date Fwd.	57 DEC 1 1971					WAF: 12/1/71		
How Fwd.						STAT SECT.		
By	1-returned 12/5/71					A*		

COVER PAGE

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to:

Report of: SA JACK M. WEBRECK
Date: November 26, 1971

Office: ATLANTA

Field Office File #: 58-307

Bureau File #: 58-7551

Title: CONGRESSMAN BERTRAM L. PODELL

Character: CONFLICT OF INTEREST

Synopsis:

[redacted] FAA, Atlanta, Ga., recalls conversation with attorney from Florida Atlantic Airlines in connection with the difficulty in securing permission for flights to the Bahamas. States he and attorney were only persons at meeting. He is vague as to details of discussion, but it apparently in general coincided with contents of letter from Attorney [redacted] on 10/17/69. He does not recall Congressman PODELL being mentioned as having a special interest in the matter, and if PODELL's name was mentioned, he assumed it to be in the nature of a Congressional inquiry in behalf of a constituent, which is not uncommon. States most discussion with Florida Atlantic Airlines was by FAA Counsel [redacted] stationed at Miami, Fla.

b6
b7C

- RUC -

DETAILS:

FEDERAL BUREAU OF INVESTIGATION

Date November 26, 1971

1.

[redacted] Federal Aviation
Administration (FAA), [redacted]
[redacted] furnished the following information under oath
which was administered to him by Special Agent JACK M.
WEBRECK:

He recalled the situation that developed several years ago in which the Florida Atlantic Airlines, Incorporated, was attempting to secure permission from FAA to operate airline service to the Bahamas. The primary difficulty concerned the airline lacking written authorization from the foreign Government, which in this case was the Bahamas, to make flights to those islands. There was no difficulty with the safety standards as he recalled in that the airline had good equipment and personnel and was sufficient in those categories.

Most of the discussion from Florida Atlantic Airlines in connection with this matter was with Counsel [redacted] stationed at the FAA Office at Miami, Florida. [redacted] should have the complete file in this matter, or if not immediately in his possession, would have access to it through a record center in that City. [redacted] had no correspondence or file pertaining to this situation.

He recalled receiving a telephone call from [redacted] Attorney for Florida Atlantic Airlines, requesting an appointment with [redacted]. He believed that [redacted] had been unable to successfully secure the desired results for his client through [redacted] and wanted to go to a higher authority. He suggested to [redacted] that he should place his comment in writing and direct it to him. After receiving this advice, [redacted] still traveled to Atlanta, Georgia, and personally came to [redacted]. He recalled it was a rather short meeting with only himself and [redacted] present. He was vague as to the details of the discussion with [redacted] but as near as he could recall it apparently followed the general content material as set forth in [redacted] letter of October 17, 1969, to [redacted]. At the conclusion of the conversation, [redacted] advised [redacted] that it

On 11/22/71 [redacted] File # Atlanta 58-307

SA JOHN R. MAURER
by SA JACK M. WEBRECK/wjb Date dictated 11/22/71

2

AT 58-307

2

would still be necessary for him to place his request or comments in writing and assume the letter was in response to [] advice. [] did not recall the name of Congressman PODELL being mentioned as the person having any special interest in this matter and if PODELL's name was mentioned it was probably done in such a manner to suggest that PODELL was interested only in securing information for a constituent, which is not uncommon.

b6
b7C

He believed that this meeting with [] was after the Civil Aeronautics Board had refused a permit to Florida Atlantic. [] contended that the FAA had gone beyond the scope of their authority, requiring evidence of its right to service the Bahamas.

b6
b7C

He assumed that he had responded to [] letter to him on October 17, 1969, but could not locate any correspondence. All such correspondence would undoubtedly be in their Miami Office files in the custody of [] or they perhaps now have been transferred to a Federal Records Center at Miami. He assumed that he had not closely read [] letter which mentioned Congressman PODELL's interest in this matter or his law firm's connections with the Leasing Consultants, Incorporated. If PODELL did interject himself into this matter it apparently had little or no bearing inasmuch as Florida Atlantic Airlines was never given permission to operate the desired air service to the Bahamas.

[] stated that until he would have an opportunity to review the pertinent file in this matter and to refresh his recollection as to the details, he did not desire to furnish a written statement.

b6
b7C

F B I

Date: 11/22/71

Mr. Tolson	_____
Mr. Felt	_____
Mr. Rosen	_____
Mr. Mohr	_____
Mr. Bishop	_____
Mr. Miller, ES	_____
Mr. Callahan	_____
Mr. Casper	_____
Mr. Conrad	_____
Mr. Dalbey	_____
Mr. Cleveland	_____
Mr. Ponder	_____
Mr. Bates	_____
Mr. Tavel	_____
Mr. Walters	_____
Mr. Soyars	_____
Tele. Room	_____
Miss Holmes	_____
Miss Gandy	_____

Transmit the following in _____

(Type in plaintext or code)

AIRTEL

REGISTERED MAIL

Via _____

(Priority)

TO: DIRECTOR, FBI (58-7551)

FROM: SAC, ATLANTA (58-307) ~~(P)~~

SUBJECT: CONGRESSMAN BERTRAM L. PODELL
COI
(OO: WFO)

Re Bureau airtel, 11/19/71.

Investigation at Atlanta completed. Report
will be submitted by 11/26/71.

EX-112

Wm

REC-51

58-7551-17

30

② - Bureau
2 - Atlanta
JMW:sdj

(4)

Approved: LEC
Special Agent in Charge

Sent _____ M Per _____

F B I

Date: 11/26/71

Mr. Tolson	_____
Mr. Felt	_____
Mr. Rosen	_____
Mr. Mohr	_____
Mr. Bishop	_____
Mr. Miller, ES	_____
Mr. Callahan	_____
Mr. Casper	_____
Mr. Conrad	_____
Mr. Dalbey	_____
Mr. Cleveland	_____
Mr. Ponder	_____
Mr. Bates	_____
Mr. Tavel	_____
Mr. Walters	_____
Mr. Soyars	_____
Tele. Room	_____
Miss Holmes	_____
Miss Gandy	_____

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL _____
(Priority)

TO: DIRECTOR, FBI

FROM: SAC, WFO (58-1260) (P)

CONGRESSMAN BERTRAM L. PODELL
COI
(OO:WFO)

Re NY airtel 11/12/71.

Re airtel transmitted to Miami a copy of a letter dated 10/17/69, from [] to [] Federal Aviation Administration, Atlanta, Georgia.

On page two of this letter [] wrote that [] had contacted a Mr. GARGOLY and told the latter he had contacted Washington Advisors, to wit: [] Congressman PODELL and [] and had been advised the airline did have authority to fly between Florida and the Bahamas.

WFO attempts to identify GARGOLY have been unsuccessful. There is no record of GARGOLY in the records of the locators and the personnel departments of either the Federal Aviation Administration or the Civil Aeronautics Board. There is no listing for anyone with the surname of GARGOLY in the Washington Metropolitan Telephone Directory.

Miami determine the identity of GARGOLY from [] who resides in [] area and who has been interviewed. Determine what if any personal knowledge GARGOLY has regarding PODELL's

② Bureau
2-Miami (58-391)
1-WFO

EX-115

6 NOV 30 1971

CVB:wjt
(5)

Approved: REC-511
Special Agent in Charge

Sent _____ M Per _____

b6
b7Cb6
b7C

WFO 58-1260

actions on behalf of Leasing Consultants, Inc., and/or Florida Atlantic Airline and thereafter consider advisability of having GARGOLY interviewed.

F B I

Date: 11/24/71

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL _____
(Priority)

TO: DIRECTOR, FBI (58-7551)

FROM: SAC, NEWARK (58-685) (P)

SUBJECT: CONGRESSMAN BERTRAM L. PODELL
COI
(OO: WFO)

Re New York airtel, 11/12/71.

On 11/23/71, [REDACTED]
(LCI), provided the identity of the following individuals
formerly associated with (LCI).

JOHN H. SWEENEY, former Vice-President Sales for (LCI),
now employed at Ward Leasing Association, Freehold, New Jersey.

(LCI), residing in [REDACTED] (exact address unknown), telephone [REDACTED]

LEADSNEW YORK

AT NEW YORK CITY, N. Y. Interview [REDACTED]
telephone [REDACTED] re LCI dealings with Podell and
Podell or Congressman PODELL in accordance with Bureau and
Departmental instructions.

NEWARK

EX-115

AT FREEHOLD, N. J. Interview JOHN H. SWEENEY, Ward
Leasing Association, as above.

2-Bureau
2-New York
2-WFO
2-Newark
JJM/las
(8)

REC-51

NOV 24 1971

Approved: 57 DEC 6 1971
Special Agent in Charge

Sent _____ M Per _____

b6
b7Cb6
b7C

F B I

Date: 11/24/71

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL _____
(Priority)

TO: DIRECTOR, FBI

FROM: SAC, NEW YORK (58-1760)

SUBJECT: CONGRESSMAN BERTRAM L. PODELL
COI
(OO:WFO)

ReNYairtel to Bureau, 11/18/71 and WFOairtel to Bureau, 11/16/71.

Office of [redacted] telephonically postponed his interview of 11/22/71, since he is out of town. Tentative appointment set 11/29/71, at NYO.

[redacted] NY, declined to be interviewed in this matter without waiver by Congressman PODELL and [redacted]

On 11/23/71, HYMAN PODELL, Senior Member of Podell and Podell, 160 Broadway, NYC, advised as follows:

His information on Leasing Consultants, Inc. (LCI) is very limited and all dealings were handled by [redacted]. Believed he may have met [redacted] once but was not familiar with other LCI officers or personnel. Recalled that [redacted] was referred to Podell and Podell by Heiko and Bush, Attorneys. Firm handled some work in Bahamas and HYMAN visited Puerto Rico on behalf of someone connected with LCI. He did not recall name but believed he contacted a District Attorney. He did not know who in his firm had visited the Bahamas, but it was possible [redacted] or BERTRAM did in connection with an air route for LCI.

2-Bureau
2-Miami (58-391)
2-Washington Field (58-1260)
1-New York

JPB:cf
(8)

REC-22 58-7551-20

3 NOV 27 1971

b6
b7C

b6
b7C

Approved: [Signature] Sent _____ M Per _____
Special Agent in Charge

NY 58-1760

Mr. PODELL believed his firm represented LCI before BERTRAM was elected in 1967 or 1968. Neither trip had anything to do with a US Agency. LCI was on a \$1000 a month retainer basis and only made a few payments.

Congressman PODELL may have had some conferences with [] as [] was a constituent in that Congressional District. Neither Podell and Podell or Congressman had any contact with any Government agency. The Congressman was only asked by law firm to determine who in Washington, D.C. would have charge of negotiating a Bahama air route. The Congressman advised the firm there was no one in D.C with such authority and that law firm would have to go to the Bahamas.

b6
b7C

Law firm handled other matters for LCI. No known written agreement existing and no contingency fee arrangement in existence.

Correspondence, fees and file were in possession of [] who was in court and subsequently traveling to Puerto Rico, returning Monday.

b6
b7C

NYO will arrange for interview appointment with [] upon his return.

LEAD

WASHINGTON FIELD

AT WASHINGTON, D.C. Attempt to obtain waivers from Congressman PODELL and [] in order that [] can be recontacted and interviewed.

MIAMI

AT MIAMI, FLORIDA. Attempt to obtain waivers from Congressman PODELL and [] in order that [] can be recontacted and interviewed.

b6
b7C

Airtel

11/29/71

TO: LEGAT, Managua, Nicaragua (58-NEW)

FROM: Director, FBI (58-7551) - 21

1 - Mr. Frankenfield

1 - Mr. G. A. Day
(Room 912 D Street)

CONGRESSMAN BERTRAM L. PODELL

CONFLICT OF INTEREST

OO: WFO

ReWFOairtel and LHM dated 11/26/71.

Enclosed for Legat is one copy of reWFOairtel and three copies of reWFO LHM.

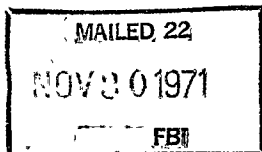
Legat is instructed to immediately arrange for the handling of the interview with Turner B. Shelton through established sources. This should be handled as soon as possible and results furnished Bureau with sufficient copies to be disseminated to the Criminal Division, Department of Justice and Miami, New York, and WFO Offices.

Enclosures 4

1 - WFO (58-1260) (Info)

WAF:bjp
(6)

Tolson _____
Felt _____
Rosen _____
Mohr _____
Bishop _____
Miller, E.S. _____
Callahan _____
Casper _____
Conrad _____
Dalbey _____
Cleveland _____
Ponder _____
Bates _____
Tavel _____
Walters _____
Soyars _____
Tele. Room _____
Holmes _____
Gandy _____



WAF

FBI

DEC 6 1971

MAIL ROOM ☐ TELETYPE UNIT ☐

F B I

Date: 11/26/71

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL _____
(Priority)

Mr. Tolson	_____
Mr. Felt	_____
Mr. Rosen	_____
Mr. Mohr	_____
Mr. Bishop	_____
Mr. Miller, ES	_____
Mr. Callahan	_____
Mr. Casper	_____
Mr. Conrad	_____
Mr. Dalbey	_____
Mr. Cleveland	_____
Mr. Glavin	_____
Mr. Jones	_____
Mr. Ladd	_____
Mr. Nichols	_____
Mr. Rosen	_____
Mr. Sullivan	_____
Mr. Tavel	_____
Mr. Walters	_____
Mr. Wines	_____
Tele. Room	_____
Miss Holmes	_____
Miss Gandy	_____

TO: DIRECTOR, FBI

FROM: SAC, WFO (58-1260) (P)

CONGRESSMAN BERTRAM L. PODELL
CONFLICT OF INTEREST
(OO:WFO)

Re WFO airtel, 11/17/71.

Enclosed are the original and five copies of an LHM setting forth a lead for the interview of TURNER B. SHELTON, Ambassador Extraordinary and Plenipotentiary, Managua, Nicaragua.

Following receipt of the results of the interview, especially the identification of the full name of Mr. LEVARTY, an LHM will be prepared to have LEVARTY [redacted] mentioned in WFO airtel of 11/16/71, interviewed in the Bahama Islands.

Appropriate instructions should be set forth requesting the interview be expeditiously handled.

A copy of the LHM is furnished Miami in view of that office's interview with ZOROVICH when he is located.

Miami note that WFO airtel 11/16/71, summarizing interview of Congressman PODELL, states PODELL made trips to the Bahamas in 1968, when he accompanied [redacted]

- ENCLOSURE
- ② - Bureau (Enc. 6)
 - 1 - Miami (58-391) (Enc. 1) (Info)
 - 1 - New York (58-1760) (Enc. 1) (Info)
 - 1 - WFO 3 - LHM [unclear] 2.252

CVB:jmc

(5)

Approved: RGK
Special Agent in Charge

Sent _____ M Per _____

b6
b7Cb6
b7C

WFO 58-1260

[redacted] and MICHAEL ZOROVICH to introduce them to a [redacted]
[redacted] Grand Bahamas Development Authority. Information in LHM indicates PODELL and ZOROVICH were in the Bahamas on February 10, 1969. During interview of ZOROVICH, determine how many times PODELL was in the Bahamas on behalf of Florida Atlantic Airlines and the identity of individuals PODELL contacted there.

b6
b7C



In Reply, Please Refer to
File No

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

Washington, D. C. 20535
November 26, 1971

**CONGRESSMAN BERTRAM L. PODELL
CONFLICT OF INTEREST**

Investigation in this case is based on an article which appeared in the August 23, 1971, issue of the "Wall Street Journal" regarding a possible conflict of interest by Congressman Podell in regard to services he performed on behalf of Leasing Consultants, Incorporated, and its subsidiary Florida Atlantic Airlines, in 1968, and 1969. According to the newspaper article, Congressman Podell contacted various officials of the Civil Aeronautics Board and the Federal Aviation Administration on behalf of Florida Atlantic Airline in regard to its need for Federal approval to fly passengers between Florida and the Bahamas. The newspaper article also stated that during the time Congressman Podell was contacting the Federal agencies, Leasing Consultants, Incorporated had retained Podell's law firm, known as Podell and Podell, and was paying the law firm \$1,000 a month.

Information has been developed that sometime in 1968, Podell was retained by Leasing Consultants, Incorporated, for the purpose of accompanying officers of the company to the Bahamas and there introducing them to Grand Bahamas Development Authority.

A telegram dated February 12, 1969, from Turner B. Shelton, then Consul General, Nassau, Bahama Islands, to the Department of State, advised that Podell accompanied by Michael Zorovich, an official of the airline, had talked to Shelton on February 10, 1969. At this meeting, Podell reportedly discussed the problems encountered by Florida Atlantic Airline in attempting to obtain concurrence for their operations by the Government of the Bahama Islands and he asked Shelton to make an appointment for him with a Mr. Levarity, Minister of Transportation, Government of the Bahama Islands.

Shelton is now Ambassador Extraordinary and Plenipotentiary, Managua, Nicaragua.

b6
b7c

CONGRESSMAN BERTRAM L. PODELL

LEADS

Interview Turner B. Shelton, Ambassador Extraordinary and Plenipotentiary, for full details concerning his conversation with Congressman Podell on February 10, 1969. Ascertain if Podell did the talking on behalf of Florida Atlantic Airline and to what extent or whether Zorovich was the principal spokesman for the airline. Ascertain full name of Mr. Levarity. Also ascertain if Shelton has knowledge of any previous or subsequent trips Podell might have made to the Bahamas on behalf of the airline and who he contacted in the Bahamas. Ascertain if Shelton prepared any memorandum concerning the conference with Podell and Zorovich and obtain copy if available or if not available determine where it can be located.

F B I

Date: 12/2/71

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL _____
(Priority)

TO: DIRECTOR, FBI (58-7551)
 FROM: SAC, NEW YORK (58-1760) ~~(P)~~
 SUBJECT: CONGRESSMAN BERTRAM L. PODELL
 COI
 (OO: WFO)

ReNYairtels to Director, 11/18/71 and 11/24/71.

_____ interviewed at NYO and advised as follows:

He was _____ of Leasing Consultants, Inc. (LCI), from _____ and also had been _____ of Florida Atlantic Airlines during this time. LCI was referred to law firm of Podell and Podell (P&P) by the firm of Heiko and Bush in late 1968 or possibly early 1969. P&P was to help LCI with the airline which LCI acquired in April or June, 1968.

_____ Heiko and Bush and P&P handled legal work jointly in connection with the airline. _____ did not know of any written agreement with P&P. He did not deal with P&P and only met Congressman once in LCI office about 1969 and once on a social occasion in Washington, D.C. on 12/30 - 31/70 after _____ had left LCI. Had no discussions re airline on LCI.

P&P received a retainer believed to be \$10,000 initially and \$1,000 per month. _____ did not know nature of work performed by P&P but knew it dealt with the airline and a Bahama route. Believed checks made payable to P&P and did not know if anything due to P&P.

2 - Bureau
 2 - Washington Field (58-1260)
 1 - Miami (58-391) (INFO)
 1 - Newark (INFO)
 1 - New York

Approved: JPB:mav

(8)

Special Agent in Charge

Sent _____ M Per _____

b6
b7Cb6
b7Cb6
b7C

REC-60

EX-100

DEC 3 1971

NY 58-1760

[] had no direct dealings with P&P, and did not know which P&P attorneys handled matters. He knew of no cancellation of P&P services by LCI. [] contacted no Government agencies or officials and doubted LCI or P&P made any such contact since firm of Boros & Lester, W.D.C., advised LCI they had the Route 9 designation. Believed [] met Congressman through Heiko and Bush.

b6
b7C

[] has no personal knowledge of correspondence with P&P. [] and Heiko and Bush were ones familiar with Route 9 negotiations.

[] declined to be placed under oath or furnish signed statement until he discusses this matter with attorney although he has no objection to such. Also indicated willingness to furnish waiver after discussion with attorney.

NYO has tentative appointment with [] on 12/6/71 and to examine LCI records through S. D. LEIDESDORF on 12/2/71.

b6
b7C

Will thereafter locate [] and Wall Street Journal reporter.

Expected date of report submission is 12/15/71.

FEDERAL BUREAU OF INVESTIGATION
T & F

REPORTING OFFICE NEWARK	OFFICE OF ORIGIN WFO	DATE 12/2/71	INVESTIGATIVE PERIOD 11/18 - 11/26/71
TITLE OF CASE CONGRESSMAN BERTRAM L. PODELL		REPORT MADE BY CLAUDE M. DUNCAN, JR. (A)	TYPED BY lmh
		CHARACTER OF CASE COI	

REFERENCES: New York airtel to Bureau, 11/12/71.
Newark airtel to Bureau, 11/24/71.

-RUC-

ADMINISTRATIVE:

An information copy of this report is being sent to New York inasmuch as outstanding investigation remains in that division.

LEAD:NEW YORK

AT NEW YORK. NEW YORK: Interview [redacted]
telephone [redacted] re LCI dealings with Podell and Podell

ACCOMPLISHMENTS CLAIMED						<input checked="" type="checkbox"/> NONE	ACQUIT- TALS	CASE HAS BEEN:
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES			
							0	PENDING OVER ONE YEAR <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO PENDING PROSECUTION OVER SIX MONTHS <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO

APPROVED <i>[Signature]</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN SPACES BELOW	
COPIES MADE: 3-Bureau 1-New York (Info) (58-1760) 2-WFO 1-Newark (58-685)		58-7551-23 REC-110 10 DEC 6 71	

Dissemination Record of Attached Report				Notations	
Agency	IAAG	attention: Mr. Stephen M. Wapian		SIX STAMP SECT.	
Request Recd.					
Date Fwd.					
How Fwd.	0-6-0	WAF			
By	54 DEC 9 1971	12/8/71			

COVER PAGE

NK 58-685

or Congressman PODELL in accordance with Department and
Bureau instructions.

COVER B* PAGE

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to:

Report of: CLAUDE M. DUNCAN, JR. (A) Office: Newark, New Jersey
Date: December 2, 1971

Field Office File #: 58-685 Bureau File #:

Title: CONGRESSMAN BERTRAM L. PODELL

Character: CONFLICT OF INTEREST

Synopsis: [redacted] provided no significant information.
[redacted] provided no significant information. [redacted]
[redacted] provided no significant information. JOHN H. SWEENEY
provided no significant information.

b6
b7C

-RUC-

DETAILS:

The following investigation was conducted by Special Agent CLAUDE M. DUNCAN, JR. (A):

On November 22, 1971, [redacted] telephonically advised that he could be contacted for interview at 7700 Marine Road, North Bergen, New Jersey.

b6
b7C

On the above date, [redacted] advised that he would be available for interview on November 26, 1971.

FEDERAL BUREAU OF INVESTIGATION

12/2/71

Date of transcription

[redacted] provided the following information under oath:

b6
b7C

He was employed by Leasing Consultants, Incorporated (LCI) as [redacted]. He left because of the bankruptcy of LCI. [redacted] advised that he had no records of LCI and he did not know where any records were located.

[redacted] recalled that Florida Atlantic Airlines (FAA), Fort Lauderdale, Florida, was a subsidiary of LCI. He advised that he went to Florida in early July, 1970, when LCI was attempting to sell FAA. He did not recall the name of the potential purchaser. He stated that FAA was not sold at that time.

b6
b7C

He stated that in September, 1970, he returned to Florida to help arrange and prepare FAA's records for shipment to New York. He related that FAA was not operating at that time. [redacted] advised that to the best of his knowledge, FAA records were never transferred to New York.

b6
b7C

[redacted] said that he is not familiar with the firm of Podell and Podell. He did not know if that firm ever did work for LCI. He advised, however, that he did not recall seeing or paying any LCI bills in connection with the firm of Podell and Podell.

Interviewed on 11/26/71 at East Brunswick, New Jersey File # Newark 58-685

SAA CLAUDE M. DUNCAN, JR.

/lmh

11/30/71

by _____ Date dictated _____

FEDERAL BUREAU OF INVESTIGATION

1Date November 26, 1971

[redacted] was interviewed at his residence
[redacted] and provided the
following information:

b6
b7C

He is an attorney at law and a member of the New York State Bar Association. On [redacted] he was hired as [redacted] by Leasing Consultants Incorporated (LCI) New York City and that he retained that position until LCI entered into bankruptcy in mid August, 1970. He was listed as [redacted] of LCI in the bankruptcy proceedings.

Florida Atlantic Airlines had ceased operation prior to his employment with LCI.

He advised he had no knowledge of LCI's relationship with PODELL and PODELL or Congressman PODELL except that he had read an article in the "Wall Street Journal" last summer in which Congressman PODELL was linked to LCI and Florida Atlantic Airlines. He advised that he has had no contact with any officers or principles of LCI within the last year.

[redacted] advised that since he had no knowledge concerning the allegations concerning LCI and Congressman PODELL, he could see no reason to make a sworn signed statement, or to be placed under oath.

The following information was gained from interview:

b6
b7C

Name:
Address:

Date of birth:
Social Security #:
Height:
Weight:
Employment:

Home phone:
Business telephone:

On 11/18/71 at [redacted] File # NK 58-685

b6
b7C

by SA JOHN J. MAHONEY, III
SA CARROLL WAYNE DEANE JJM/meg Date dictated 11/22/71

1

NK 58-685
JJM/lmh

On November 23, 1971, [redacted] telephonically advised that he could be contacted on this date at his current place of employment, Commercial Resources Corporation, 7700 Marine Road, North Bergen, New Jersey.

b6
b7C

He advised that he knew of two former officers of Leasing Consultants, Incorporated (LCI) who were not named in the bankruptcy proceedings. He provided the following information concerning these officers:

JOHN H. SWEENEY - former Vice-President of Labs (LCI), now employed at Ward Leasing Association, Freehold, New Jersey.

b6
b7C

[redacted]
(LCI) residing in [redacted] (exact address unknown)
telephone number [redacted]

FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 11/29/71

[redacted] provided the following sworn signed statement:

"North Bergen, N.J.
"November 23, 1971

b6
b7C

"I, [redacted] being duly sworn hereby furnish the following statement, freely and voluntarily to SA John J. Mahoney III and John H. Farrell who have identified themselves to me as Special Agents (SAs) of the Federal Bureau of Investigation. I have been placed under oath by SA Mahoney.

"I am currently employed as [redacted] Commercial Resources Corp., 7700 Marine Road, North Bergen, NJ. I resigned as [redacted] for Leasing Consultants, Inc., Northern Boulevard, Roslyn, NY, in August of 1970 because of LCI's financial problems.

b6
b7C

"In my position as [redacted] for LCI, I was responsible for LCI's sales and marketing functions. Florida Atlantic Airlines which was owned by LCI had its own Sales operation. I had nothing to do with Florida Atlantic Airlines. I have no knowledge of LCI entering into an agreement with the law firm of Podell and Podell in New York City. I am not aware of any relationship between LCI and Congressman Podell of New York.

"I have read the above statement consisting of this and one other page and it has been read to me. I have initialled each page and each correction, it is true and correct to the best of my knowledge.

"/s/ [redacted]

b6
b7C

Sworn to and subscribed before me on November 23, 1971 at North Bergen, N.J.

Witness: "/s/ John J. Mahoney, III, Special Agent, FBI, Newark, NJ
"/s/ John H. Farrell, SA, FBI, Newark, NJ."

Interviewed on 11/23/71 at North Bergen, New Jersey File # Newark 58-685

by SA JOHN J. MAHONEY, III
SA JOHN H. FARRELL JJM/mjk Date dictated 11/26/71

1

NK 58-685
JJM/lmh

The following investigation was conducted by Special Agent JOHN J. MAHONEY, III:

On November 23, 1971, JOHN H. SWEENEY telephonically advised that he could be contacted on this date at his current place of employment, Ward Systems and Equipment Leasing Corporation at Freehold, New Jersey.

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription November 29, 1971

JOHN H. SWEENEY provided the following sworn signed statement:

"Freehold New Jersey
"November 23, 1971

"I, John H. Sweeney, being duly sworn, hereby furnish the following statement, freely and voluntarily, to John J. Mahoney, III and John H. Farrell, who have identified themselves to me as Special Agents (SA) of the Federal Bureau of Investigation. I have been placed under oath by SA Mahoney.

"I am currently employed as Vice-President, New York Region, Ward Systems and Equipment Leasing Corporation. I hold a Bachelor of Science degree from New York University in Banking and Finance.

"I was employed as Vice-President Sales for Leasing Consultant's Inc. (LCI), Long Island, N.Y., from approximately March of 1969, until I resigned in March 1970. I resigned from (LCI) when I determined that (LCI) was not living up to their contractual agreement with regard to my employment as Vice-President sales for (LCI). I directed their overall leasing sales effort and had nothing to do with the management of Florida Atlantic Airlines Inc. which was owned by ME. I am not aware of the relationship that existed between LCI and Congressman Podell or the firm of Podell and Podell, New York City.

Interviewed on 11/23/71 at Freehold, New Jersey File # Newark 58-685
by SA JOHN J. MAHONEY III
SA JOHN H. FARRELL JJM/ly Date dictated 11/26/71

2

NK 58-685

"I have read the above statement consisting of this and one other page and it has been read to me. I have initialed each page and each correction. It is true and correct to the best of my knowledge.

"/s/ John H. Sweeney

"Sworn to and subscribed before me on November 23, 1971, at Freehold, New Jersey.

/s/ John J. Mahoney, III, Special Agent, FBI, Newark, N.J.

"Witness /s/ John H. Farrell, Special Agent, FBI, Newark, N.J. "

It should be noted that the last paragraph of the above signed statement is in the handwriting of JOHN H. SWEENEY.

The following information was gained from observation and interview:

Name:	JOHN H. SWEENEY
Address:	235 Valley Court Haworth, New Jersey
Telephone:	385-8825
Date of birth:	September 1, 1920
Social Security:	052 16 6686

8*

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE MIAMI	OFFICE OF ORIGIN WASHINGTON FIELD	DATE 11/6/71	INVESTIGATIVE PERIOD 11/9-30/71
TITLE OF CASE CONGRESSMAN BERTRAM L. PODELL		REPORT MADE BY JAMES R. MARTIN	TYPED BY ed
EX-102 REC-39 COI 11/17/71		CHARACTER OF CASE	

REFERENCES

Buairtel to Miami, 11/2/71
 New York airtels to Bureau, 11/5, 11/12, 11/15, and
 11/24/71.
 New York airtel to Washington Field, 11/15/71.
 Washington Field airtels to Bureau, 11/11 and 11/26/71.
 Miami airtels to Bureau, 11/5, 11/10, and 11/17/71.

--P--

LEADSNEW YORKAt New York, N. Y.:

Will contact the Referee in Bankruptcy and examine

ACCOMPLISHMENTS CLAIMED					<input checked="" type="checkbox"/> NONE	ACQUIT- TALS	CASE HAS BEEN: PENDING OVER ONE YEAR <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO PENDING PROSECUTION OVER SIX MONTHS <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES		

APPROVED <i>K.W.W. [Signature]</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN SPACES BELOW
------------------------------------	----------------------------	------------------------------

COPIES MADE:
 3 - Bureau
 2 - New York (58-1760)
 2 - Washington Field (58-1260)
 2 - Miami (58-391)

58-7551-24 REC-51

18 DEC 8 1971

Dissemination Record of Attached Report		Notations <i>LOW STAT SECT.</i>
Agency	1 aas <i>att: Mr. Stephen M. Wagon</i>	
Request Recd.		
Date Fwd.	12/13/71	
How Fwd.	0-6-D	
By	WAF	

COVER PAGE

MM 58-391

the records of LCI and determine payments made to the firm of Podell and Podell. Will also examine correspondence files for Florida Atlantic Airlines to determine if there is correspondence between LCI and the firm of Podell and Podell.

MIAMI

At Miami, Fla.:

Will contact [redacted] Attorney, FAA, Miami, regarding file of Florida Atlantic Airlines.

ADMINISTRATIVE

No lead set out by Washington Field airtel to Bureau, 11/26/71, to reinterview [redacted] to identify GARGOLY referred to in letter from Attorney [redacted] to [redacted] Area Counsel, FAA, Atlanta, Ga. GARGOLY is believed to be [redacted] of firm of Boros & Lester, Washington, D. C. (see interview of [redacted]).

b6
b7C

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to:

Report of: JAMES R. MARTIN
Date: 12/6/71

Office: Miami, Florida

Field Office File #: 58-391

Bureau File #:

Title: CONGRESSMAN BERTRAM L. PODELL

Character: CONFLICT OF INTEREST

Synopsis:

[redacted] in sworn, signed statement, advised firm of Podell and Podell was retained at the suggestion of [redacted]. Agreement was for a monthly fee of \$1,000. Payments were made to firm monthly. [redacted] asked Congressman PODELL, as a resident of New York State, not as a client, to assist him in finding out what had happened in the matter relating to the Route 9 carrier designation for Florida Atlantic Airlines. Congressman PODELL arranged meeting between [redacted] CAB, and with official at State Department. [redacted] stated Attorney [redacted] was not at meeting with him in Congressman PODELL's office. Attorney [redacted] advised he was retained by Leasing Consultants, Inc., to work with [redacted] of Washington, D. C., firm of Boros & Lester, to attempt to obtain the Route 9 designation for Florida Atlantic Airlines. [redacted] advised he met a CAB official, name unrecalled, in the office of Congressman PODELL with official of LCI. KENNETH G. BURNSTINE advised he never met Congressman PODELL and he has no knowledge of meeting between [redacted] and PODELL. [redacted] of LCI, advised he recalls signing one check payable to firm of Podell and Podell. He thinks check was in amount of \$1,000, and mailed to New York City office of Podell and Podell. He advised books and records of LCI with Bankruptcy Court, New York, will reflect all payments and purpose made to Podell and Podell. Interview of [redacted] and MICHAEL ZOROVICH set forth.

b6
b7c

-P-

DETAILS:

At Miami, Florida:

FEDERAL BUREAU OF INVESTIGATION

1

11/16/71

Date of transcription

ng. 7
[redacted] Suite 810, 66 West Flagler Street, Miami, Florida, was advised of the identities of the interviewing Special Agents of the Federal Bureau of Investigation. He was advised of the purpose of the interview by SA JAMES R. MARTIN. He was placed under oath by SA MARTIN and furnished a Warning and Waiver of Rights form, which he read and signed.

He voluntarily furnished the following sworn, signed statement:

Miami, Florida

"I, [redacted] being duly sworn, hereby make the following free and voluntary statement to JAMES R. MARTIN and CHARLES W. ARCHER, who have identified themselves to be Special Agents of the Federal Bureau of Investigation. I have been furnished a Warning and Waiver of Rights form by Special Agent JAMES R. MARTIN, which I have read and signed. No threats or promises have been made to induce me to make this statement. I have been advised of the nature of the inquiry being conducted by Special Agent MARTIN and freely furnish the following information:

"I am [redacted] of Fiscal Concepts Corporation, Suite 810, Concord Building, 66 West Flagler Street, Miami, Florida.

"All dates are approximate.

"During the period of [redacted] I was [redacted] of Leasing Consultants, Inc., (LCI), New York, New York, and during the period [redacted] I was [redacted] of LCI. I was [redacted]

Interviewed on 11/9-15/71 at Miami, Florida File # Miami 58-391

SA JAMES R. MARTIN and
CHARLES W. ARCHER JRM:ed

11/15/71

by _____ Date dictated _____

[redacted] my position with LCI and have had nothing to do with running the Corporation since that time.

b6
b7C

"The law firm of HEIKO and BUSH was representing LCI, and in 1968, at the suggestion of [redacted] partner of the firm, who had [redacted] with Congressman BERTRAM PODELL, the firm of Podell and Podell was retained as additional counsel for LCI.

"At about the same time, the firm of Podell and Podell was retained as additional counsel, LCI obtained Florida Atlantic Airlines from Mr. KENNETH BURNSTINE. LCI was involved in the leasing of portable schoolrooms to various municipalities around the country.

b6
b7C

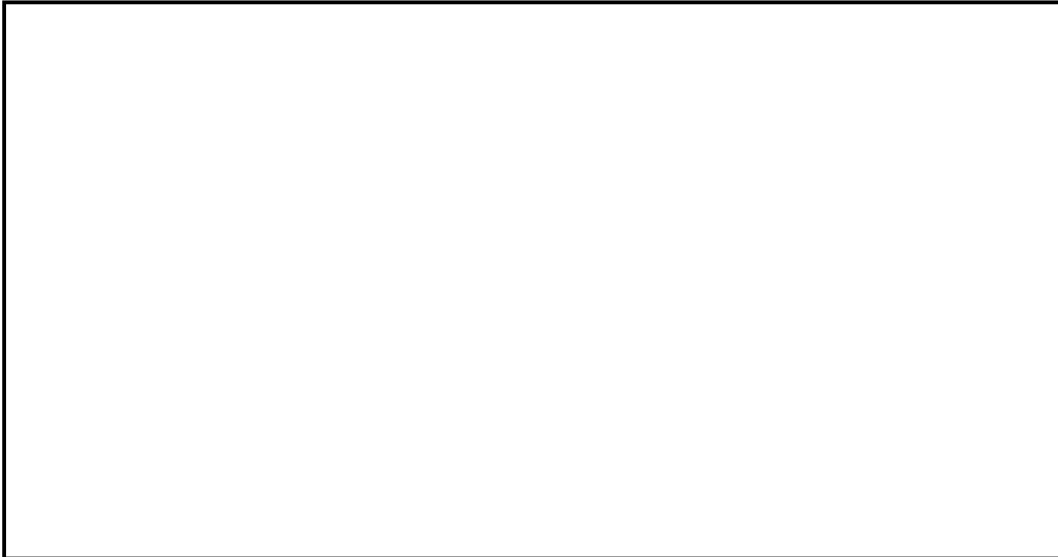
[redacted] recommended Podell and Podell as additional counsel because of their expertise in dealing with municipal governments.

"As far as I know, there was no written agreement with the firm of Podell and Podell, just a verbal agreement to represent LCI for a fee of \$1,000 per month. This verbal agreement was made with either Congressman PODELL, or [redacted]

b6
b7C

MM 58-391

3



b6
b7C

"After completing the deal with BURNSTINE, LCI retained the Washington, D. C. law firm of Boros and Lester for a legal opinion. Prior to completing the deal with BURNSTINE, an opinion was also obtained from [redacted]

b6
b7C

[redacted] of the Civil Aeronautics Board, regarding the designation of Florida Atlantic Airlines as a Route 9 carrier. The firm of Boros and Lester wrote the legal opinion that Florida Atlantic Airlines was entitled to and was designated a Route 9 carrier. Subsequent to the purchase of Florida Atlantic Airlines, the Federal Aviation Administration revoked the carrier certification of Florida Atlantic Airlines and advised that the airlines was not designated a Route 9 carrier.

"I contacted Congressman BERTRAM L. FODELL at that time, as a resident of New York State, not as a client of the firm of Podell and Podell, to assist me in finding out what had happened in the matter relating to the Route 9 carrier designation for Florida Atlantic Airlines.

4

NH 58-391

"Congressman FODELL contacted [redacted] (phonetic), [redacted] with the Civil Aeronautics Board, and arranged a meeting. The meeting was in Congressman FODELL's office and [redacted] advised us that the application for Route 9 carrier designation had been filed with the CAB by Florida Atlantic Airlines and CAB had determined the airlines met all requirements and had forwarded the application to the Department of State for designation as a Route 9 carrier, the Department of State being the Federal Agency with the responsibility of designation of Route 9 carriers to other countries.

b6
b7c

"The application of Florida Atlantic Airlines for Route 9 designation was to fly between Florida and the Bahamas.

"Congressman FODELL then arranged a meeting with an official at the Department of State, which he attended, and this official advised us that the application had been forwarded to the Board of Trade, London, England, for concurrence in the designation. This official advised us that the British Board of Trade had not concurred in the designation of Florida Atlantic Airlines as a Route 9 carrier based on the request of the Bahamian Government.

"The official at the Department of State advised us the next step was for the Department of State to enter into consultations or discussions with the Board of Trade and to try to get the designation made for Florida Atlantic Airlines.

"Congressman FODELL never obtained a final answer to the reasons for the lack of concurrence by the Board of Trade for the Route 9 designation.

"To the best of my knowledge, Congressman FODELL never used his office officially to assist me or LCI in any manner that he or other Congressmen would not have done for any voter in his home state.

MM 58-391

5

"I do not know how the fees paid to Podell and Podell were carried on the books of the firm of Podell and Podell, or how the fees were split. I do not know if any of the fees were ever distributed by the firm to Congressmen PODELL.

"Regarding the legal representation of LCI during the period 1966 to 1970, in addition to the firm of Heiko and Bush, Podell and Podell, Boros and Lester, LCI also had engaged the services of Attorney [redacted] Miami, Florida, to handle the matter relating to Florida Atlantic Airlines and had retained the firm of Weiss, Bronstein, Rosenthal, Heller and Schwartzman to handle securities work for the company.

b6
b7C

"To the best of my knowledge, the books and records, which include the files relating to the Florida Atlantic Airlines, were turned over to the Trustee in Bankruptcy, New York, New York. Some of the files were being used by LCI's [redacted] [redacted] regarding a law suit against the Washington, D. C., firm of Boros and Lester. These files should have also been turned over to the Trustee in Bankruptcy or to his attorney when LCI went into Bankruptcy, which was subsequent to my leaving the firm.

b6
b7C

"I have read this statement consisting of this and 6 other pages. I have initialed each page and each correction. It is true and correct to the best of my knowledge.

"/s/ [redacted]

b6
b7C

"Sworn to and Subscribed before me on
November 15, 1971 at Miami, Florida.
JAMES R. MARTIN
Special Agent, Federal Bureau of Investigation

"Witness: CHARLES W. ARCHER, Special Agent, FBI,
Miami, Fla. 11/15/71"

MM 58-391

8

The only person he recalls attending the meeting with him in Congressman FODELL's office with [redacted] CAB, was MICHAEL J. ZOROVICH. ZOROVICH was the operating executive of Florida Atlantic Airlines, hired by LCI to run the airline.

ZOROVICH lives in Miami, Florida, in the southwest section, and has telephone 667-6730.

He thinks ZOROVICH was also at the meeting with the official of the Department of State in Washington, D. C.

Attorney [redacted] was not at either of these meetings with him in Washington, D. C.

He does not know if Congressman FODELL, or his firm owned any stock of LCI or not. He does not think he owned any stock in LCI, but if he did, it would be recorded in the books and records of the firm, which are in the possession of the Trustee in Bankruptcy, New York, New York.

To the best of his recollection, no expenses for trips of Congressman FODELL were ever paid by LCI or Florida Atlantic Airlines.

The following descriptive information was obtained from observation and interview:

Name:
Date of Birth:
Place of Birth:
Height:
Weight:
Hair:
Eyes:
Social Security
Number:
Marital Status:
Military Service:
Residence:

--

b6
b7c

b6
b7c

1

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 11/15/71

[redacted] Attorney, Suite 810, 66 West Flagler Street, Miami, Florida, was advised of the identities of the interviewing Special Agents of the Federal Bureau of Investigation. He was advised of the nature of the inquiry by Special Agent JAMES R. MARTIN. He was furnished a Warning and Waiver of Rights form by SA MARTIN, but he advised he was well aware of his rights and did not have to be advised of them. He did not read or sign the Warning and Waiver of Rights form. He was placed under oath by SA JAMES R. MARTIN.

b6
b7C

[redacted] advised he would freely and voluntarily furnish all information known to him regarding Leasing Consultants, Inc. (LCI), Congressman BERTRAM L. PODELL, and Florida Atlantic Airlines. He furnished the following information:

He was retained by LCI around the middle of [redacted] to work with [redacted] of the Washington, D. C. law firm of Boros and Lester, to attempt to obtain the route 9 designation for Florida Atlantic Airlines.

b6
b7C

He made several trips to Washington, D. C., and to [redacted]. On one or two trips to Washington, D. C., he met Congressman BERTRAM L. PODELL and was under the impression that Congressman PODELL represented LCI or Florida Atlantic Airlines. He wrote a letter to [redacted] (phonetic), Federal Aviation Administration, stating that Congressman PODELL represented Florida Atlantic Airlines.

b6
b7C

He sent a copy of his letter to FAA to Congressman PODELL and received an immediate reply from Congressman PODELL, informing him that the Congressman did not represent either LCI or Florida Atlantic Airlines. He sent a copy of this letter to FAA, so FAA would be aware that Congressman PODELL was not representing LCI or Florida Airlines as he had thought.

He obtained the impression that Congressman PODELL represented LCI and Florida Atlantic Airlines from personnel of LCI.

Interviewed on 11/9-15/71 at Miami, Florida File # Miami 58-391

by SA JAMES R. MARTIN and
CHARLES W. ARCHER JRM:ed Date dictated 11/15/71

MM 58-391

2

His files on the Florida Atlantic Airlines containing the correspondence were turned over to Attorney [redacted] who was filing suit against the Washington, D. C., firm of Boros and Lester. He does not have any copies of the letters written by him.

b6
b7C

He made a trip to [redacted]
[redacted]
[redacted] an official of LCI, name not recalled, and went to Washington, D. C.

He and the LCI official met with Congressman PODELL and a man who he thinks was from the Civil Aeronautics Board (CAB), name not recalled, in Congressman PODELL's office. He does not recall if Congressman PODELL remained in the room and participated in the talk or not. He and the LCI official were attempting to determine what could be done to get the CAB certificate for Florida Atlantic Airlines so the airline could start flying again. At the time of this meeting, the certificate of Florida Atlantic Airlines had been lifted by FAA and the airlines could not fly. The employees, pilots, ground crews, etc., were all grounded and could not work. The CAB man told them that they would have to start on the local level, Miami, Florida, and apply for the certificate. Later, he did manage to get the certificate for Florida Atlantic Airlines to fly intra-state in the State of Florida. This required Florida Atlantic Airlines to pay a fine of \$5,000 and the certificate was reissued.

He does not recall if Congressman PODELL remained in the room during the meeting with the man from CAB or not; he thinks Congressman PODELL left the room and was not present during the meeting.

He does not recall whether or not the route 9 designation was discussed at this meeting with the man from the CAB, but he thinks the matter was not discussed.

He was [redacted] for Florida Atlantic Airlines. in view of the closeness to the Bahamas, [redacted]

b6
b7C

He was also [redacted]
[redacted] of LCI, but did not have any operating responsibilities of the Corporation.

MM 58-391

3

Prior to the meeting in Congressman PODELL's office. [REDACTED]

[REDACTED] who contacted the British Board of Trade. The official of the Board of Trade informed them that the Route 9 designation was not concurred in by the Board because of KENNETH BURNSTINE's association with the firm. This was at the request of the Bahamian Government.

He has no knowledge of the stock holdings of Congressman PODELL and does not know if he did or did not have any stock in LCI or Florida Atlantic Airlines. He does not know if Congressman PODELL was or was not ever in Florida or the Bahamas. If he was in Florida, he would not know who paid his expenses.

b6
b7C

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 11/17/71

pg. 12

KENNETH G. BURNSTINE, 2101 Middle River Drive, Ft. Lauderdale, Florida, after being advised of the nature of the interview, was advised of his rights by SA WILLIAM B. PULLEN, as reflected by an executed Advice of Rights form, furnished the following information under oath:

Florida

In July, 1967, he [redacted] formed Florida Atlantic Airlines (FAA). He was President and [redacted] In September, 1967, they sold a 50% interest to an individual whose name he could not recall at the moment, and who was [redacted] In January, or February 1968, they were contemplating selling out to Leasing Consultants, Inc. *N.Y.* (LCI) and repurchased the 50% stock sold to the man [redacted]

In March, 1968, BURNSTINE contracted with LCI to sell FAA to LCI for stock in LCI. The sale was finalized in June, 1968, and BURNSTINE signed a three-year contract with LCI as Director and Chairman of the Executive Committee. He resigned all offices and any association with FAA.

From June until December, 1968, he served with LCI. His duties were to structure the organization of LCI to be run by the Executive Committee. In December, 1968, he had a disagreement with management of LCI and they bought up his contract.

BURNSTINE denied ever having met Congressman BERTRAM L. PODELL of New York. States he has no knowledge of any contact by [redacted] of LCI and PODELL. Denies any knowledge of payments to PODELL's law firm, or of any action by PODELL in behalf of LCI. He stated all this must have happened after he left LCI as he had never met PODELL, nor was he aware of any contact with PODELL by anyone from LCI while he, BURNSTINE, was with LCI.

BURNSTINE did not desire to sign any statement due to his being under indictment by the Federal Government, Houston, Texas.

BURNSTINE made available a copy of a letter dated January 7, 1969, addressed to him from [redacted]

Interviewed on 11/15/71 at Ft. Lauderdale, Fla. File # Miami 58-391

by SA WILLIAM B. PULLEN :ed Date dictated 11/16/71

MM 58-391

3

[REDACTED] LCI, concerning BURNSTINE's resignation as follows:

b6
b7C

"Dear Ken:

We have this date received from you your resignation as President and Director of Florida Atlantic Airlines, Inc. and Chairman of the Executive Committee and Director of Leasing Consultants Incorporated.

"It is understood that your resignations are received by us in escrow and will not take effect until such time as certain other documents relating to your disengagement from the two aforementioned companies are properly completed as has been agreed upon between you and I previously.

"It is understood that we have your permission to show these resignations to the appropriate authorities in the Bahamas, but this permission so granted in no way gives any credence to the effectiveness of these resignations except as hereinabove stated.

"Sincerely

"/s/ [REDACTED]

b6
b7C

The following is a description of KENNETH G. BURNSTINE as obtained through interview:

Race:	White
Sex:	Male
Nationality:	American
Age:	38
Date of Birth:	2/15/33
Place of Birth:	Chicago, Ill.
Height:	5'8"
Weight:	190 lbs.
Hair:	Brown

MM 58-391

13

Eyes:	Blue
Build:	Medium-Heavy
Complexion:	Fair
Residence:	2101 Middle River Drive, Ft. Lauderdale, Fla.

b6
b7C

1

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 11/22/71

[redacted]
[redacted] Miami National Bank, 8101 Biscayne Boulevard, Miami, Florida, was advised of the identities of the interviewing Special Agents of the Federal Bureau of Investigation. He was advised of the nature of the investigation and placed under oath by SA JAMES R. MARTIN. He voluntarily furnished the following information:

Excerpt
He was employed by Leasing Consultants, Inc. (LCI), in about [redacted]

He was hired by [redacted] of LCI, and [redacted]

He had nothing to do with the hiring of attorneys, which was handled by [redacted] and sometimes by [redacted]

One of the first documents to pass over his desk after his employment [redacted]

[redacted] it was not clear if FAA had a route 9 designation and there was no guaranty that FAA was, in fact, turning over a route 9 designation.

When he was with LCI, the attorneys for the firm were [redacted] of LCI. As far as he was concerned, Podell and Podell were never the attorneys of record for LCI.

b6
b7Cb6
b7Cb6
b7Cb6
b7C

Interviewed on 11/18/71 at Miami, Florida File # Miami 58-391

SAs JAMES R. MARTIN and
CHARLES W. ARCHER JRM:ed Date dictated 11/18/71

MM 68-391

2

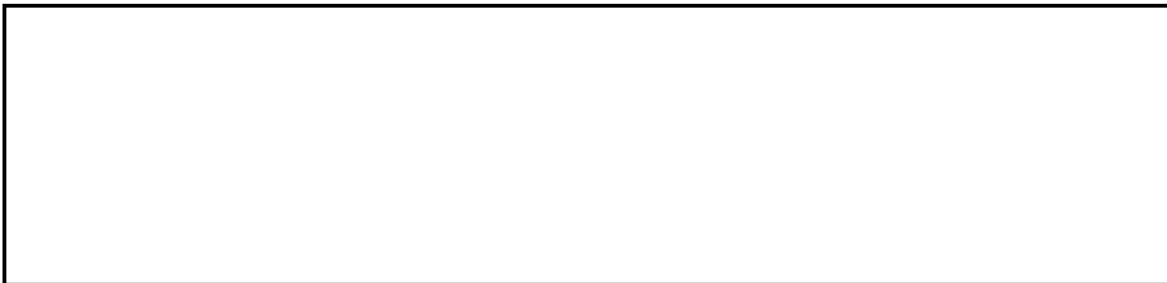


b6
b7C

Specifically for the problem of the route 9 designation, the firm of Doros and Lester, Washington, D. C., was hired to handle this matter.

It was his opinion that either [redacted] engaged the firm of Podell and Podell and he thinks it was [redacted] because [redacted]

b6
b7C



LCI either received a bill for legal services or it was noted on the check stub that the payment was for legal services.

As far as he knows, the firm of Podell and Podell never had anything to do with the regular or special leases of LCI.

He does not know what, if any, Congressmen PODELL's participation was in the matter involving Florida Atlantic Airlines.

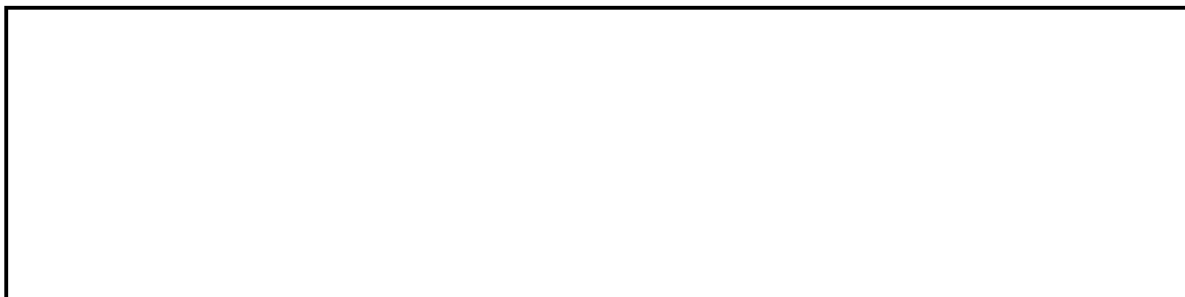
He had no active participation or function to perform in the operations of FAA, [redacted] upon instructions.

b6
b7C

MM 58-391

2

He never attended any meetings in Congressman FODELL's office, either in Washington, D. C., or New York. Although he is from Congressman FODELL's District, Brooklyn, New York, he has never met the Congressman.



Regarding other officials of LCI. 



currently employed by Commercial Resources Corp., 7700 Marine Road, North Bergen, New Jersey. JACK SWEENEY, former Vice President of LCI, presently employed by Ward Equipment Leasing Company, Atlantic City, New Jersey.

The books and records of LCI are in the Bankruptcy Court and the records will reflect all payments to Podell and Podell. The check stub books for the bank account of LCI will reflect the purpose of payments. Either the account, "Legal Expenses" or Podell and Podell, will reflect the check number, date, and amount of payment made to the firm of Podell and Podell.

b6
b7C

FEDERAL BUREAU OF INVESTIGATION

12/1/71

Date of transcription

1

[redacted] advised, under oath, that he was [redacted] of Florida Atlantic Airlines, Inc. (FAA). He was hired by KENNETH BURNSTINE, President of the corporation, in [redacted] Prior to going out of business, the airlines was bought or taken over by Leasing Consultants, Inc. (LCI), [redacted]

[redacted] stated he was unaware of any meetings between either KENNETH BURNSTINE or [redacted] of LCI, and Congressman GERTMAN L. PODELL. He remembers the name PODELL being mentioned by [redacted] when it was decided to have a hearing with the FAA. He recalls [redacted] stating he was going to get PODELL's advice on whether or not to request the hearing.

[redacted] does not know if PODELL was contacted by [redacted] regarding this hearing, but recalls that [redacted]

[redacted] stated in addition to himself, the meeting with the FAA was held at a hotel (name unrecalled) in Miami, Florida, with [redacted]

[redacted] and FAA representatives. He said [redacted] presently [redacted]

[redacted] stated he was unaware of any funds ever paid to Congressman PODELL or PODELL's law firm, nor was he actually aware of any specific contact between PODELL and owners of LCI, other than mentioned above.

Interviewed on 11/22/71 at Ft. Lauderdale, Florida File # Miami 88-381

by SA WILLIAM B. PULLEY /apj Date dictated 11/26/71

FEDERAL BUREAU OF INVESTIGATION

1

Pg. 21 Date of transcription 12/3/71

MICHAEL JOHN ZOROVICH, 4301 N. W. 7th Street, Miami, Florida, was advised of the identities of the interviewing Special Agents of the Federal Bureau of Investigation. He was advised of the purpose of the interview and placed under oath by SA JAMES R. MARTIN. He voluntarily furnished the following information:

President of Leasing Consultants, Inc., New York, in charge of subsidiary companies from about February, 1969, to the summer of 1970. In this position, he participated in several meetings with Congressman BERTRAM PODELL of New York.

He was introduced to Congressman PODELL by [redacted] of LCI, who had known the Congressman before and they had mutual friends.

[redacted] told him that he was going to make an appointment with Congressman PODELL to see if PODELL could help LCI in getting the approval of the Route 9 designation expedited.

All of them in LCI, including [redacted] were of the opinion that Congressman PODELL could use his influence to help LCI get the Route 9 designation.

He was aware that PODELL was a member of a House Subcommittee having something to do with Civil Aviation, but does not recall where he heard this.

He met Congressman PODELL in his office in Washington, D. C., with [redacted] in the spring of 1969. At this first meeting, they discussed the Route 9 designation for Florida Atlantic Airlines and [redacted] presented the problem to Congressman PODELL and advised him of the legal opinion Florida Atlantic Airlines had received and PODELL said he would see what he could do for [redacted]. During this first meeting, PODELL indicated the approval of the Route 9 designation was almost automatic upon the approval of the Civil Aeronautics Board (CAB) and the Department of State.

Interviewed on 11/30/71 at Miami, Florida File # Miami 58-391
by SA JAMES R. MARTIN and CHARLES W. ARCHER JRM:ed Date dictated 12/1/71

MM 58-391

2

Prior to this first meeting with PODELL, the attorney for LCI had applied to CAB for the Route 9 designation and CAB had approved it. The application had already gone to the Department of State, who had forwarded it to London, England, for concurrence, which had not been received. The only persons at this first meeting were Congressman PODELL, [redacted] himself, and the Administrative Assistant to PODELL, name not recalled, who later left the Congressman's staff.

b6
b7C

About 10 days to two weeks later, another meeting was attended in Congressman PODELL's office where the same subject was generally discussed. PODELL called several people at CAB and the Department of State setting up appointments for him and MILLER.

PODELL called a [redacted] CAB, [redacted] [redacted] who came to PODELL's office for a meeting. PODELL participated in the discussions and presented the opening remarks to [redacted] as to the problem of Florida Atlantic Airlines and the Route 9 designation. [redacted] discussed the specific problem and he interjected comments where he had information of interest regarding the matter. No conclusion was reached at this meeting; it was just another general discussion.

b6
b7C

He and [redacted] attended meetings with the Legal Department of CAB and meetings at the Department of State. He does not recall PODELL attending any of these meetings.

b6
b7C

He met again with [redacted] CAB, and thinks this meeting was arranged by Congressman PODELL.

During the weeks following the first meeting with PODELL, there were several meetings in Congressman PODELL's office with [redacted] and PODELL.

Once he went to PODELL's office alone and discussed the taking over of Chalk Airlines with Congressman PODELL. His question at the time regarded Chalk Airlines having a full Route 9 designation under the "grandfather" rights of the airline. PODELL arranged a meeting with [redacted] and two other men at CAB, to discuss Chalk Airlines.

b6
b7C

MM 58-391

3

He does not know what PODELL's position was with regard to LCI. He is not aware of any payments to the law firm of Podell and Podell, or to Congressman PODELL. He assumed PODELL was assisting [] as any Congressman would assist any person from his state.

b6
b7C

During the summer of 1969, PODELL was in Miami, Florida, and he flew [] Attorney [] and PODELL to the Bahamas. He thinks this first trip was to Freeport, Bahamas, and was a one-day trip, over and back in the same day.

Congressman PODELL and [] went to see someone, name not recalled, at the Freeport Port Authority. He recalls this man formerly lived in New York and was known to PODELL. This discussion was about the Route 9 designation for Florida Atlantic Airlines and the reasons for it being held up by the Bahamian Government. This man was also [] in the Freeport Port Authority and has an executive vice-president-type job.

b6
b7C

He did not participate in the discussion and spent most of his time with the employees of Florida Atlantic Airlines in Freeport discussing operations of the airlines.

He made another trip to Nassau, Bahamas, with [] and Congressman PODELL. He does not recall if Attorney [] was along on this trip or not. A meeting was held with ARTHUR FOULKES, Minister, Bahamian Government, whose duties included the Post Office and Civil Aviation.

b6
b7C

PODELL introduced himself to FOULKES as a United States Congressman and the others, he and [] as his constituents from New York. PODELL indicated he would personally appreciate it if the Minister would get the Route 9 designation moving for Florida Atlantic Airlines and get the approval. It is his opinion that Congressman PODELL was using his influence as a United States Congressman to obtain approval of the Bahamian Government for the Route 9 designation for Florida Atlantic Airlines.

b6
b7C

MM 58-391

4

As he recalls, the primary purpose of [] in going to Congressman FODELL in the first place was to get him to use his Congressional influence to assist LCI and Florida Atlantic Airlines in getting approval for the Route 9 designation for Florida Atlantic Airlines to fly between Florida and the Bahamas. As he recalls, he, [] and Attorney [] were all of the opinion that Congressman FODELL would be in a position to help with the Route 9 designation. [] told him, he, [] was setting up an appointment with Congressman FODELL to see if he could help LCI in expediting the approval.

b6
b7C

He does not recall any other travels or meetings with Congressman FODELL, except one meeting in Washington, D. C., after he and Attorney [] had attended the Redding Air Show, Redding, Pennsylvania. They had gone to New York and on to Washington, D. C., and they met with Congressman FODELL.

b6
b7C

As far as he knew, the meetings and requesting assistance from Congressman FODELL were routine and all Congressmen helped the people from their Districts when problems were encountered with Government Agencies in Washington, D. C.

[] of Florida Atlantic Airlines, Fort Lauderdale, Florida, and as far as he knows, did not attend any meetings with Congressman FODELL.

b6
b7C

He furnished the following background information:

Name:	MICHAEL JOHN ZOROVICH
Date of Birth:	8/20/22
Place of Birth:	Yugoslavia
Marital Status:	Married, 7 children
Residence:	6295 S. W. 12th St., Miami, Fla., telephone 667-6730
Military Service:	U. S. Army Air Corps, 3 years
Employment:	Self-employed - Purity Pak Sea Food, Inc., 4301 N. W. 7th St., Miami, Florida, telephone 445-2022

F B I

Date: 12/7/71

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL _____
(Priority)

Mr. Tolson	
Mr. Felt	
Mr. Rosen	✓
Mr. Mohr	
Mr. Bishop	
Mr. Miller, ES	
Mr. Callahan	
Mr. Casper	
Mr. Conrad	
Mr. Dalbey	
Mr. Cleveland	
Mr. Ponder	
Mr. Tavel	
Mr. Walters	
Mr. Soyars	
Tele. Room	
Miss Holmes	
Miss Gandy	

TO: DIRECTOR, FBI

FROM: SAC, MIAMI (58-391) - (P)

SUBJECT: CONGRESSMAN BERTRAM L. PODELL
COI

OO: WFO

Rerep of SA JAMES R. MARTIN, 11/6/71, at Miami;
report of SA JACK M. WEBRECK, 11/26/71, at Atlanta, and WFO
airtel to Bureau, 11/26/71.

[redacted] Attorney, Regional Counsel's
Office, Federal Aviation Administration, Miami International
Airport, Miami, Fla., advised on 12/7/71, the file regarding
Florida Atlantic Airlines has been retired to the Federal
Records Center, Atlanta, Ga.

[redacted] advised he never met or spoke to Congress-
man PODELL and only heard Attorney [redacted] refer to a
telephone call to PODELL immediately after completion of
hearing on Florida Atlantic Airlines before the National
Transportation Safety Board (NTSB) held in Miami Beach, Fla.
[redacted] stated in a loud voice before the members of the
Board that Congressman PODELL told him the Route 9 designa-
tion had been signed in Washington, D. C.

[redacted] advised that FRANCIS "RED" GARGALY is
an FAA Inspector assigned to the Miami area. GARGALY
inspects aircraft and flight personnel of the airlines in
Miami for FAA.

2 - Bureau
2 - Atlanta (58-307)
2 - Washington Field (58-1260)
1 - New York (58-1760) (Info)
1 - Miami
JRM:ed
(8)

REC-51
EX-117

1 DEC 9 1971

Approved: X.W.W. [signature]
Special Agent in Charge

Sent _____ M Per _____

MM 58-391

[redacted] recontacted and he advised he recalls one trip to Bahamas with PODELL where they met with [redacted] of Grand Bahamas Development Company, regarding charter flights, junkets, to Freenort for the El Casino. [redacted] has made many trips, [redacted] to the Bahamas regarding Florida Atlantic Airlines, and met most of these times with ARTHUR FAULKES, Minister of Transportation, Bahamian Government.

PODELL introduced [redacted] to [redacted] as one client to another client. [redacted] indicated the firm of Podell and Podell represented [redacted] in some manner in the past.

[redacted] on advice of Attorney [redacted] advised he had no legal right to waive the Attorney/Client relationship between LCI and [redacted] again stated he was not [redacted] of LCI at the time of Bankruptcy and does not feel he could waive the rights of LCI. [redacted] advised the only personal representation by [redacted] was on [redacted] He indicated he would be willing to waive this relationship, if it is needed.

Attorney [redacted] advised he never accompanied Congressman PODELL to the Bahamas for any reason. He does not recall ever going to the Bahamas representing Florida Atlantic Airlines.

[redacted] advised the person referred to in his letter to [redacted] FAA, dated 10/17/69, named GARGOLY, is "RED" GARGOLY, an FAA Examiner at Ft. Lauderdale, Fla. who examined the aircraft and personnel of Florida Atlantic Airlines.

Miami does not consider it necessary to interview FRANCIS "RED" GARGALY, FAA Inspector, inasmuch as he would not have had any direct contact with Congressman PODELL. Report reflecting complete investigation being prepared.

MM 58-391

LEAD

ATLANTA

At Atlanta, Ga.:

Will obtain FAA file of Florida Atlantic Airlines from Federal Records Center, Atlanta, Ga., and review transcript of NTSB hearing to determine if [] made any reference to Congressman PODELL, and for any other information considered pertinent to this investigation.

Information copy being furnished to New York.

b6
b7C

F B I

Date: 12/9/71

Transmit the following in _____
(Type in plaintext or code)

AIRTEL

Via _____
(Priority)

Mr. Tolson	
Mr. DeLoach	
Mr. Mohr	
Mr. Bishop	
Mr. Casper	
Mr. Callahan	
Mr. Conrad	
Mr. Felt	
Mr. Gale	
Mr. Rosen	
Mr. Sullivan	
Mr. Tavel	
Mr. Trotter	
Tele. Room	
Miss Holmes	
Miss Gandy	

TO: DIRECTOR, FBI (58-7551)

FROM: SAC, WFO (58-1260) ~~(P)~~

CONGRESSMAN BERTRAM L. PODELL
 CONFLICT OF INTEREST
 (OO:WFO)

ReNYairtel 11/24/71.

PODELL during interview on 12/1/71 advised he did not desire to furnish a written waiver for the FBI to interview [] and he felt that if anyone should waive privilege it would be [] himself. PODELL said he would talk to [] about the situation. During a recontact of PODELL on 12/8/71 he advised he had not yet talked to [] but would do so shortly.

It is suggested New York maintain contact with [] to determine if he will consent to being interviewed.

On 12/8/71 PODELL declined to sign a statement prepared for his signature incorporating changes he had made in the first draft although he had previously indicated he would sign it.

2 - Bureau
 2 - New York (58-1760)
 1 - WFO

CVB:lms
 (5)

REC-60 58-7551-26

10 DEC 10 1971

Approved: *REK*
 Special Agent in Charge

Sent _____ M Per _____

F B I

Date: 12/9/71

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL _____
(Priority)

TO: DIRECTOR, FBI (58-7551)
FROM: SAC, NEW YORK (58-1760) (P)
SUBJECT: CONGRESSMAN BERTRAM L. PODELL
COI
(OO: WFO)

ReNYairtel to Director, 12/2/71.

[redacted] law firm of Podell & Podell
(P&P), was interviewed at his office and advised as follows:

P&P was referred to Leasing Consultants, Inc. (L.C.I.) by Heiko and Bush (H&B) about end of 1968 in connection with introductions to unknown individuals in Bahamas. Congressman Podell went to Bahamas with H&B and L.C.I. officials, identity unknown. Only purpose was to make introductions. This is only service performed by Congressman. P&P received \$10,000 fee of which H&B was given \$3,500.

P&P never handled work re Route 9 designation and knew nothing about such a route.

Second trip involved criminal proceeding against a BURNSTINE in Puerto Rico which was handled by HYMAN PODELL. P&P received \$2,350 fee.

P&P is a general partnership with Congressman PODELL receiving 1/3 of net fees ordinarily. [redacted] did not specifically know how this income was allocated. Desired Congressman answer question concerning his share of this income.

- 2 - Bureau
2 - Washington Field (58-1260)
1 - New York

EX-112 REC-36 58-7551-27

Approved: JPB:may
(6)
Special Agent in Charge

Sent _____ M Per _____

b6
b7cb6
b7c

NY 58-1760

P&P performed other legal services for L.C.I. which had nothing to do with Congressman who probably did not know L.C.I. was billed \$1,000 per month. These were strictly local items and did not concern airline route. Exact nature of services privileged attorney-client relationship.

No written agreement or contingency agreement in existence. P&P received no stock or options. P&P never represented L.C.I. before Government agency or officials. [redacted] had no knowledge of any contacts by Congressman with Government agencies or of any fees to Congressman. Denied allegations of [redacted] in 10/17/69 letter to FAA concerning L.C.I. retention of Congressman and refuted same.

[redacted] declined to furnish correspondence or memoranda due to lawyer-client privilege. Declined to be placed under oath. Declined signed statement but will consider such in future upon discussing situation with a third party.

WFO consider questioning Congressman concerning his portion of fees from L.C.I. and general partnership income.

Investigation continuing.

b6
b7C

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (58-7551)

DATE: 12/7/71

FROM : *aac* LEGAT MANAGUA (58-1) ~~(P)~~

SUBJECT: CONGRESSMAN BERTRAM L. *O* PODELL
CONFLICT OF INTEREST

*0-7 Legat
Managua,
at appeal, all invest.
completed, case
should be rec.
WAF: fu
12/10/71*

pk
ReBuairtel, dated 11/29/71; and WFO letter and LHM, dated 11/26/71.

Enclosed for the Bureau are nine (9) copies of an LHM setting forth results of interview with U. S. Ambassador TURNER B. SHELTON at Managua, Nicaragua.

Ambassador SHELTON indicated that JOHN KIMBALL, Chief of the Port Authority, Nassau, Bahama Islands, was an honest and reputable businessman and would be able to furnish information in this matter. He indicated that records at the Bahamian Ministry of Transportation would also be pertinent.

Ambassador SHELTON stated that he would not recommend an interview with

He stated that from a number of comments made by various officials in the Bahamian government he had reason to believe that attempts had been made to bribe certain officials in connection with this matter. He added, however, that he had no specific information in this regard.

Ambassador SHELTON indicated that his report in the matter was summarized to the Department in his telegram dated 2/12/69.

- 9 - Bureau (Enc. 9)
2 - Miami
2 - New York
2 - WFO
1 - Foreign Liaison Desk
1 - Managua

AAC/il

(10)

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan



5010-108-01

EX-115

REC-21

58-7551-28

ENCLOSURE

*1cc tickler (let & LHM)
1cc Acting asst. attorney General
att. Stephen M. Wegman
WAF: fu
12/10/71*

22 DEC 13 1971

Frank W. Field
WAF

b6
b7c



UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

WASHINGTON, D.C. 20535

In Reply, Please Refer to
File No.

Washington, D. C.
December 7, 1971

CONGRESSMAN BERTRAM L. PODELL
CONFLICT OF INTEREST

The Honorable Turner B. Shelton, United States
Ambassador to Nicaragua, on December 6, 1971 advised as
follows:

In early February, 1969 Congressman Bertram L.
Podell came to call on him at his office in Nassau, Bahama
Islands. (Ambassador Shelton at that time was United States
Consul General to the Bahama Islands). Podell was accompanied
during his visit by Michael Zorovich, an official of the
Florida-Atlantic Airlines. Zorovich had called on a number
of previous occasions in an attempt to have the United States
Consulate General intercede with the Bahamian government
on behalf of the Florida-Atlantic Airlines.

Ambassador Shelton stated that he was totally
unsympathetic with the cause of the Florida-Atlantic
Airline inasmuch as that airline had repeatedly ignored
restraining orders placed against them and had repeatedly
ignored Civil Aeronautics Board rulings which were set down
to insure proper operation of the airline and to insure
safety of the passengers. Ambassador Shelton indicated that
officials of the Bahamian government had been very upset over
pressures brought to bear on behalf of the airline.

Ambassador Shelton advised that when Congressman
Podell called at his office, Podell assumed the initiative

This document contains neither recommendations nor conclusions
of the FBI. It is the property of the FBI and is loaned to your
agency; it and its contents are not to be distributed outside
your agency.

ENCLOSURE

58-1551-28

CONGRESSMAN BERTRAM L. PODELL

during the interview and requested assistance in arranging an interview with Warren Levarity who at that time was Minister of Transportation of the government of the Bahama Islands. Ambassador Shelton stated that during the interview Congressman Podell acted as the principal spokesman for the airline. He added, however, that to his knowledge Congressman Podell made only one trip to the Bahama Islands with reference to this matter. Podell, during the interview, discussed problems that the airline was having and claimed that the airline was being mistreated by the Bahamian government.

Ambassador Shelton stated that he had received a number of calls from a Federal Aeronautics Administration (FAA) attorney with reference to the Florida-Atlantic Airline. He stated it was his understanding that the FAA had brought Florida-Atlantic Airlines into court and indicated the court records might have information pertinent to this case.

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE MIAMI	OFFICE OF ORIGIN WASHINGTON FIELD	DATE 12/13/71	INVESTIGATIVE PERIOD 12/7/71
TITLE OF CASE CONGRESSMAN BERTRAM L. ^①PODELL		REPORT MADE BY JAMES R. MARTIN	TYPED BY ed
		CHARACTER OF CASE COI <i>RKB.</i>	

REFERENCES

Report of SA JAMES R. MARTIN, 12/6/71, at Miami
Miami airtel to Bureau, 12/7/71.

- RUC -

ADMINISTRATIVE

Information copy is being furnished to New York.

ACCOMPLISHMENTS CLAIMED					<input type="checkbox"/> NONE	ACQUIT- TALS	CASE HAS BEEN:
COV IC	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES		
APPROVED <i>K. W. W. Jr.</i> SPECIAL AGENT IN CHARGE						DO NOT WRITE IN SPACES BELOW	
COPIES MADE: 3 - Bureau 2 - Washington Field (58-1260) 1 - New York (58-1760) (Info) 1 - Miami (58-391)						58-7551-29	
						16 DEC 15 1971	
						REC-22	
Dissemination Record of Attached Report						Notations	
Agency	1AAB <i>att: Mr. Wegman</i>					STAT. SECT.	
Request							
Date Fwd.	12/20/71						
How Fwd.	0-6-2						
By	WAF						

55 DEC 21 1971

A*
COVER PAGE

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to:

Report of: JAMES R. MARTIN Office: Miami, Florida
Date: 12/13/71
Field Office File #: 58-391 Bureau File #:
Title: CONGRESSMAN BERTRAM L. PODELL

Character: CONFLICT OF INTEREST

Synopsis:

[redacted] stated he, Congressman PODELL, and ZOROVICH met with [redacted] of Grand Bahamas Development Company. PODELL introduced [redacted] to [redacted] as one of his clients to another of his clients. Attorney [redacted] advised he never went to Bahamas with Congressman PODELL. [redacted] Attorney, FAA, Miami, Fla., never met or talked with PODELL. FAA file on hearing for Florida Atlantic Airlines located at Federal Record Center, Atlanta, Ga.

b6
b7C

- RUC -

DETAILS:

At Miami, Florida:

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 12/8/71

1-1-00 20.50
[redacted] Fiscal Concepts Corporation, Suite 810, 66 West Flagler Street, Miami, Florida, was advised of the identities of the interviewing Special Agents of the Federal Bureau of Investigation. He was placed under oath by SA JAMES R. MARTIN and advised of the purpose of the interview. He voluntarily furnished the following information:

b6
b7C

He has been to the Bahamas many times, [redacted] at the least. He only recalls one trip made with Congressman PODELL and MIKE ZOROVICH. He does not recall [redacted] being on the trip with them.

He, Congressman PODELL and ZOROVICH met with [redacted] of the Grand Bahamas Development Company. PODELL introduced him to [redacted] as one of his clients to another of his clients. He understands that the firm of Podell and Podell had represented [redacted] in some manner in the past.

b6
b7C

His discussion with [redacted] was related to [redacted]

As he recalls, at the time of this meeting, he was not aware that Florida Atlantic Airlines did not have the Route 9 designation. He also did not consider the Route 9 designation necessary for charter flights to Freeport.

b6
b7C

[redacted] referred him to [redacted] (last name unknown),

For about six to eight months after this arrangement was made, Florida Atlantic Airlines flew from 10 to 12 flights daily to Freeport, Bahamas.

As he recalls, he told Congressman PODELL he was flying into the Bahamas and PODELL commented he had a client [redacted] and maybe they could get together. This was the purpose of the trip to Freeport, Bahamas with PODELL.

b6
b7C

Interviewed on 12/7/71 at Miami, Florida File # Miami 58-391

SAs JAMES R. MARTIN and
by H. GENE EASON JRM:ed Date dictated 12/7/71

MM 58-391

2

He has met with ARTHUR FAULKES, Minister of Transportation and Tourism, Bahamas, [] he estimates [] where he discussed the Route 9 designation for Florida Atlantic Airlines. He does not recall Congressman PODELL ever being present at any of the meetings with FAULKES, although he may have been present at one meeting.

He does not recall anyone named GARGOLY, but the name sounded familiar.

He does not feel he has any legal right to sign a waiver for interview of [] concerning his representation of LCI because [] of LCI when it went into bankruptcy. He has discussed this with Attorney [] who advised him that he did not have the right to waive the Attorney/Client relationship between LCI and []

b6
b7C

b6
b7C

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 12/7/71

[redacted] Attorney, Suite 810, 66 West Flagler Street, Miami, Florida, was advised of the identities of the interviewing Special Agents of the Federal Bureau of Investigation. He was advised of the purpose of the interview by SA JAMES R. MARTIN. He voluntarily furnished the following information:

He does not recall ever going to the Bahamas as a representative of Leasing Consultants, Inc. (LCI). He is positive he never accompanied Congressman PODELL to the Bahamas for any purpose.

The only official of the Bahamian Government he has met was in [redacted] about another matter. He does not recall ever meeting ARTHUR FAULKES or [redacted]

The man he referred to in his letter to [redacted] Federal Aviation Administration (FAA), Atlanta, Georgia, is "RED" GARGOLY (phonetic), who is an FAA Examiner in Miami, Florida, who examined the pilots and aircraft of Florida Atlantic Airlines at Fort Lauderdale, Florida.

He has discussed [redacted] signing a waiver of the Attorney/Client relationship between LCI and [redacted]. He does not consider it legal for [redacted] to sign such a waiver for the Corporation.

Interviewed on 12/7/71 at Miami, Florida File # Miami 58-391
by SAs JAMES R. MARTIN and H. GENE EASON JRM:ed Date dictated 12/7/71

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 12/9/71

[redacted] Attorney, Federal Aviation Administration Regional Counsel Office, Miami, Florida, was advised of the identity of the interviewing Special Agent of the Federal Bureau of Investigation. He was advised of the purpose of the interview and he voluntarily furnished the following information:

He participated in and arranged a hearing before the National Transportation Safety Board regarding Florida Atlantic Airlines. The hearing was held in a hotel at Miami Beach, Florida, as a result of Federal Aviation Administration (FAA) issuing an order for Florida Atlantic Airlines to cease operations under an emergency suspension of operation certificate procedure. After the issuance of this order, Florida Atlantic continued to operate and FAA issued an emergency revocation of certificate action. This action resulted in the hearing being held.

At the conclusion of the hearing and a recess, Attorney [redacted] representing Florida Atlantic, returned to the hearing room and stated in a loud voice that he had just completed a telephone call to Congressman PODELL, who had informed him the Route 9 designation for Florida Atlantic had just been signed in Washington, D. C.

He does not think this comment was printed in the transcript of the hearing, inasmuch as it had been concluded prior to the recess.

He never met Congressman PODELL of New York, and has never spoken to him on the telephone. He has heard the name mentioned by [redacted] and Attorney [redacted]. He has never received any correspondence from Congressman PODELL at any time.

During his investigation of Florida Atlantic Airlines, he considered the airlines to be a safe and well-run airlines, but with poor top management.

Interviewed on 12/7/71 at Miami, Florida File # Miami 58-391

by SA JAMES R. MARTIN:ed Date dictated 12/7/71

MM 58-391

2

To his knowledge, neither KENNETH BURNSTINE, nor Florida Atlantic Airlines, had a Route 9 designation to fly to the Bahamas.

Many times he told [] that Florida Atlantic would have to cease operations to the Bahamas and he was assured by them that operations had been stopped. The next day he would have one of the FAA Inspectors check the ramp at Florida Atlantic and the airlines would be in full operation..

On one occasion, he made a trip to Nassau, Bahamas, and talked with [] officials of the Bahamian Government, who told him that they did not like [] or the Florida Atlantic Airlines and they would never approve the Route 9 designation for the airlines.

[] told him that Bahamian officials had tried to shake him down for [] for approval of the Route 9 designation and he had refused to pay this amount for the approval. [] indicated he had made other arrangements to fly into Freeport, Bahamas, and he continued to fly into Freeport without any trouble with the Bahamian officials.

The FAA file on Florida Atlantic Airlines has been sent to the Federal Records Center, Atlanta, Georgia, and can be obtained from there.

There may be some statements in the transcript of the National Transportation Safety Board hearings made by [] with reference to Congressman PODELL, but he does not recall any specific comments made by []

FRANCIS "RED" GARGALY is an FAA Inspector assigned to the Miami, Florida area. GARGALY inspects aircraft and flight personnel of the airlines in Miami area for FAA.

b6
b7C

b6
b7C

b6
b7C

6*